



Daily Report

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Daily Report

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4 January 1991

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An * indicates material not previously disseminated in electronic form.

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General

QIUSHI Carries Qian Qichen Article

HK0401112291 Beijing QIUSHI in Chinese
No 24, 16 Dec 90 pp 8-11

[Article by Qian Qichen (6929 0366 3819): "The Changing World Situation and China's Foreign Affairs"]

[Text] Upon the arrival of the 1990's, the world mankind faces is not a tranquil one. In the wake of the relaxation of U.S.-Soviet relations and the mitigation of military confrontation, a new world war is unlikely to burst out and a sustained peace has become possible. The drastic changes in the international situation are bringing up, however, some new factors of turbulence and new contradictions have emerged and are becoming intensified. In the Middle East in particular, the Gulf crisis sprang up while the Arab- Israeli disputes remained unsettled. Many developing countries are facing unprecedented economic difficulties, with the gap between the North and South widened and the contradictions aggravated. Some developed countries and international financial organizations have set many political conditions before offering economic aid. In doing so they are actually exerting political pressure on Third World countries and meddling in their internal affairs. In the Soviet Union, the economic situation is deteriorating, the political situation has become complicated, and the political views have further diverged between the different factions. In Eastern Europe the economic difficulties and social turbulence will continue for quite a long period to come. Nationality contradictions and religious conflicts have been stirred up and are intensifying in many regions. All these developments have shown that the detente, or even compromise and cooperation, between the United States and the Soviet Union has not brought the world peace and tranquility as predicted by some people.

The Gulf crisis arising from the Iraqi invasion and annexation of Kuwait has become a major event that has a bearing on the overall situation. Iraq's invasion of Kuwait on 2 August constituted a breach of the norm guiding international relations and the United Nations Charter and is not acceptable under whatever pretext. Therefore it is natural that Iraq's action has been widely condemned and resolutely rejected by the international community. Due to the existence of various contradictions and conflicts, the Middle East region has been living in tension and turbulence for over 40 years since the war and new conflicts can arise whenever there is a change in the global structure and the global balance of power is upset. What is more, the military involvement of different powers in this region has further complicated and intensified the conflicts.

In the wake of the reunification of Germany, the post-war Yalta system has been broken; the two superpowers, namely, the United States and the Soviet Union, can no longer monopolize international affairs and a multipolar

world is in the making. Either way, the United States remains the most powerful superpower, militarily or economically. The Soviet Union, though facing numerous contradictions at home and suffering from the decline of its national strength, remains the only military power that can match the United States. Following the process of regional integration, the EC is taking vigorous action in seeking to become an independent pole in the world structure. Reunified Germany, after a period of rehabilitation, is bound to emerge as an important force which will exert influence on the European and international situations. Japan, whose economic strength is constantly increasing, is showing a more and more obvious intention to become a political power. We can therefore say that the world is now in a transitional period; the old structure has been broken but the new structure has yet to take shape. During this transitional period, a special characteristics of the international situation is that it is constantly changing and unpredictable and some unexpected things may take place.

Many politicians believe the world is now in the "post-cold-war" period and everybody is talking about the establishment of a new international order. What is the new international order? Some people say this means that the United States and the Soviet Union have got rid of confrontation but are seeking compromise and cooperation in their domination of the world. Others hold that the U.S.-Japanese-European tri-polar structure is the leading force in the world economy. The old order is characterized by hegemonism and power politics. As we see it, the pattern characterized by the domination of the world by the superpowers, or by several powers or the "rich nations' club," cannot be accepted as a new order. The new international order should be established on a basis of equality among all independent states, large or small, rich or poor, strong or weak; and it should contain the kind of political and economic relations which truly conform with the five principles of peaceful coexistence. Such relations have nothing in common with hegemonism, power politics, invasion, expansion, and interference in other countries' internal affairs. They are totally different from those contained in the old international economic order which is economically unfavorable to developing countries.

Comrade Deng Xiaoping was the first to advocate the establishment of a new international political and economic order on the basis of the five principles of peaceful coexistence. In October 1988, when meeting with a foreign friend, Comrade Deng Xiaoping said: We must now study the possibility of establishing a new international political order. The international order in the past was hegemonism and bloc politics which embodied inequality. What have stood the test of time and acted as a safeguard are the five principles of peaceful coexistence, which can serve countries which practice different social systems, countries at different levels of development, and also neighboring countries.

In light of the actual development of international relations in recent years, the Chinese Government delegation proposed at this year's UN General Assembly that the new international political order should include the following major aspects:

1. Every country has the right to choose its political, economic, and social systems in accordance with its national conditions.
2. All countries, particularly large countries, must strictly observe the principle of noninterference in other countries' internal affairs.
3. Different countries should respect each other, seek common ground while reserving differences, live in harmony, treat each other on an equal footing, and cooperate with each other to promote common interests.
4. International disputes should be resolved rationally by peaceful means rather than by force or by military threat.
5. Every country, large or small, strong or weak, has the right to take part in solving world problems through consultations on an equal footing.

Our world will become better if such a new international political order is established.

Over the past year, under the ever-changing international situation, China has achieved some new developments and made some breakthroughs in its foreign relations.

In our efforts to safeguard world peace, we have attached special importance to improving and developing good-neighborly friendly relations with peripheral countries. Safeguarding world peace and creating a peaceful peripheral environment are interrelated. Practicing a good-neighbor policy to stabilize relations with peripheral countries is conducive to our country's efforts to further the reform and opening policy and to concentrate our resources on socialist construction.

CPSU General Secretary Gorbachev visited China last May, marking an end to the past and the normalization of Sino-Soviet relations. Premier Li Peng visited the Soviet Union in April this year and the two sides thoroughly exchanged views and signed six documents and accords. The Soviet Union is China's largest neighbor. Development of good-neighborly relations between China and the Soviet Union on the basis of peaceful coexistence, equality, and mutual benefit, is in keeping with the interests of both the Chinese and Soviet peoples and conducive to peace in Asia and the world alike.

The traditional friendship between China and the DPRK has been further consolidated. General Secretary Jiang Zemin visited Korea in March this year. The close contacts between Chinese and Korean top leaders and their exchanges of views on the international situation and bilateral relations have helped promote closer ties between the two countries. Out of consideration for

peace and stability on the Korean Peninsula and in the interests of Korean reunification, we support the DPRK Government's proposal for peaceful reunification. The meetings between the premiers of South and North Korea are a positive development and we hope such high-level contacts between the northern and southern parts of Korea will continue. To promote trade, mutual investment, and scientific and technological exchanges with South Korea, the China Council for the Promotion of International Trade and its South Korean counterpart have set up reciprocal trade representative offices.

Historically and geographically speaking, or from the viewpoint of cultural traditions Japan is an important neighbor of China. Despite twists and turns in the course of development, Sino-Japanese relations on the whole have developed along the track of restoration and normalization. In the latter half of this year, Japan took the lead in resuming extending loans to China, thus playing a positive role in relaxing the sanctions imposed by the West against China. Contacts between the two sides at different levels are being restored and we hope this trend will continue free from interference because it is beneficial to both sides.

Great progress has been made in promoting relations between China and ASEAN countries. In August this year, China and Indonesia reestablished diplomatic ties which had been severed for 23 years. After that, China officially established diplomatic relations with Singapore. Thus the friendly and cooperative relations between China and the ASEAN countries saw a new stage of all-around development. Premier Li Peng's two visits to Southeast Asian countries in August and December this year have helped consolidate and strengthen China's friendly and cooperative relations with these countries. The development of China's relations with the ASEAN is not only conducive to economic cooperation between the two sides but also to the settlement of the Cambodian issue and thus the restoration of peace and stability in the region.

Consolidating and developing traditional friendship and cooperation with South Asian countries is an important part of China's efforts to improve its peripheral environment. After Premier Li Peng's visit to Pakistan, Bangladesh, and Nepal in November last year, new developments in the traditional friendship between China and these countries have been achieved this year. We attach great importance to promoting friendly relations with India. Sino-Indian relations have been improved remarkably since the visit to China by former Indian Prime Minister Rajiv Gandhi last year. The Chinese Government appreciates the Indian Government's positive attitude toward the promotion of relations between the two countries.

Sino-Mongolian relations have been normalized and contacts between the two countries have increased. This development is favorable to the stability and development in China's northern border areas. Last year, the normalization of relations between China and Laos was

accomplished. From China's point of view, we hope Sino-Vietnamese relations will be normalized and the traditional friendship and cooperation in all fields will also be restored; but, of course, this will depend on the realization of an early overall political solution to the Cambodian issue.

The Third World is the mainstay safeguarding world peace and a force on which we can rely. In view of the rise of a multipolar world, China has strengthened political and economic cooperation with Third World international and regional organizations and has supported their just demands and reasonable views. China has highly appreciated and actively supported such regional organizations as ASEAN, the Gulf Cooperation Council, Maghreb, and the Rio Group. When discussing various issues with the four other permanent members of the UN Security Council, we have frequently solicited opinions from among nonaligned members of the Security Council. When speaking at the international forum, we have tried to represent the Third World's interests, supported Third World countries' just stands, proposed establishing a new international political and economic order, and thus won wide acclaim in the Third World. All the foreign ministers and presidents who took the lead in visiting China since 4 June last year were from Africa. Over the past year or so, dozens of heads of state and government heads from the Third World have visited China. Meanwhile, Chinese leaders also visited a number of Asian, African, and Latin American countries. Different departments, provinces, and cities in China have also maintained frequent contacts with Third World countries. The Third World deserves to be called China's loyal and trustworthy friend.

With a view to safeguarding world peace, China has worked hard for the peaceful settlement of regional conflicts. The Cambodian issue has dragged on unsolved for 12 years and it is now time for it to be resolved. Over the past year, China and the four other permanent members of the UN Security Council, namely, France, the UK, the United States, and the Soviet Union, held six rounds of consultations to work out five documents on the overall solution to the Cambodian issue. These were endorsed by the UN Security Council Resolution No. 668. To implement these documents drawn up by the five members, and to advance the process of political solution to the Cambodian issue, the Chinese Government has taken a series of measures, including making contact with Vietnam's top leadership. The Cambodian issue was an important topic in the talks and discussions held between Premier Li Peng and Indonesian, Singaporean, and Thai leaders during the premier's visits to these three countries in August this year and the later return visits to China by the leaders of these countries. Now that the two chairmen (France and Indonesia) of the international conference on the Cambodian issue, together with other permanent members of the UN Security Council and the UN Secretary General, have completed drafting the documents on the overall solution to the Cambodian issue, we sincerely hope that all

the Cambodian parties concerned will hold consultations in a spirit of reconciliation, conclude an agreement on the formation of the Supreme National Council, and elect Samdech Sihanouk as chairman of the council. All the world has seen China's firm determination to safeguard the norm guiding international relations and its above-board attitude of not seeking selfish interests in any regions.

From the very beginning, the Chinese Government has expressly opposed Iraq's invasion of Kuwait, holding that this act was a violation of the norm guiding international relations and the UN Charter and therefore absolutely unacceptable. China has made very clear its principled stance, namely, first, China resolutely opposes the Iraqi invasion and annexation of Kuwait and second, China maintains that every effort should be made to seek a peaceful solution to the Gulf crisis. China has no selfish interests in the Middle East and Gulf regions and has always supported the just cause of the Arab and Palestinian people. China established diplomatic ties with the Kingdom of Saudi Arabia in July this year, so China now maintains friendly relations with all the Arab countries. Although there are differences of opinion among Arab countries, all these countries accept China's principled stand on the Gulf issue. Our view, which also reflects the common aspiration of the vast majority of other countries, has been widely endorsed by the international community. As a permanent member of the UN Security Council, China has done its share in seeking a peaceful solution to the Gulf crisis. China has actively joined the consultations within the Security Council and supported all the resolutions that approve the use of all means, diplomatic, political, or economic, to force Iraq to withdraw its troops from Kuwait. China has also supported the efforts to work out a solution within the Arab world. The Chinese foreign minister also visited some Arab countries to listen to opinions from all circles and push forward the efforts for a peaceful solution to the Gulf crisis. For the moment, the Gulf faces a very grim situation and the danger of war is increasing. Meanwhile, the appeal for a peaceful solution is being voiced louder and louder. More and more countries have realized that if a war broke out in this region, it would be a formidable catastrophe not only to this region but also to the whole world. The consequences are too ghastly to contemplate. A massive debate "for and against a war" is now going on in the United States. On 29 November, the UN Security Council discussed and adopted Resolution No. 678 and China abstained from voting during that meeting. At previous meetings of the Security Council, China had voted for all the resolutions on Iraq's invasion of Kuwait since all the measures prescribed by those resolutions did not involve the use of military force. Resolution No. 678 which was recently adopted allows some countries to launch military operations against Iraq. This goes counter to the Chinese Government's consistent stand for a peaceful solution. For this reason, it was difficult for China to vote for this resolution. On the other hand, however, the resolution demands that Iraq fully observe

the Security Council's Resolution No. 660 and the relevant resolutions which were adopted later. In other words, it demands that Iraq immediately withdraw its troops from Kuwait. Sharing the same view in this regard, China did not vote against the resolution either. We appreciate the intention that the United States has expressed recently to hold direct talks with Iraq. We hold that there is still a chance that the crisis will be solved in a peaceful way. So long as there is a glimmer of hope, we should continue to work for a peaceful solution. China has done so in the past and will continue to join the international community in the efforts to seek a peaceful solution to the Gulf crisis.

Over the past year, despite the attempt by some developed Western countries to interfere in our internal affairs and to exert political pressure on and impose economic sanctions against our country, facts show that China has not yielded to the pressure and is not isolated. The political, social, and economic situation has been further stabilized in China, the reform and opening up has been developing further in depth, and the country has made some breakthroughs in its foreign relations. In the latter half of this year Western countries began to take a more relaxed attitude toward their relations with China. What is particularly noteworthy is that the United States and other Western countries have realized that China is playing an important role in the efforts to solve the Gulf crisis and the Cambodian issue; and China, as a permanent member of the UN Security Council, is also influential in international affairs.

In the wake of the granting of the third batch of yen loans and the increasingly frequent high-level contacts between China and Japan, Sino-Japanese relations have been gradually restored. The EC foreign ministerial meeting recently decided to lift sanctions against China and restore normal relations with China. Long ago, some countries began to extend export credit guarantees and grant government loans to China again since they realized that these measures are not only beneficial to China but are also an urgent need of their exporters. In the past year, Chinese leaders have received well known personages from Western political and business circles. This has helped enhance mutual understanding. During the 45th UN General Assembly, the Chinese foreign minister met with foreign ministers, government heads, or heads of state from more than 60 countries and held talks with the foreign ministers of all the major Western countries. All the meetings proceeded in a friendly and realistic atmosphere, showing a very substantial change as compared with the situation a year ago.

We have reason to say that Sino-U.S. relations are also improving gradually. The Chinese foreign minister's recent official visit to the United States by invitation was an important step toward the improvement of the relations between the two countries. It has been found through extensive contacts that both the U.S. Government and public wish to restore Sino-U.S. relations as soon as possible. This needs closer contact and enhanced mutual understanding. In the United States, there still

are some people who like to make indiscreet remarks and criticisms on other countries' internal affairs. We hope they will clearly understand that although getting China into trouble will cause us some difficulties, it will also infringe the United States' interests. China is not going to change its policy of reform and opening nor close its opened doors again. We are now practicing a policy of opening up to the whole world in all fields. We are adopting a realistic attitude toward international affairs and more and more countries are willing to cooperate with us. We will never beg any country for mercy. In coping with the Gulf crisis and in seeking a political solution to the Cambodian issue, China and the United States have cooperated efficiently within and without the United Nations. Isolating China does not conform with the United States' interests in international affairs.

China is currently enjoying a stable domestic situation and economic growth, serving as a solid foundation for our diplomacy. Although we will face difficulties in our way ahead, we have full confidence in our future when we review the rapid changes in the world and our achievements in the diplomatic front over the past year.

'News Analysis' Updates Current Gulf Situation

OW0401035291 Beijing XINHUA Domestic Service
in Chinese 1105 GMT 3 Jan 91

["News analysis" by XINHUA reporter Fu Weijian (4569 5898 1696): "Will There Be War or Peace in the Gulf Area?"]

[Text] Amman, 3 Jan (XINHUA)—As the deadline set by UN Security Council Resolution 678, which stipulates that Iraq must withdraw from Kuwait before 15 January, approaches, preparations for war in the Gulf Area and peace negotiations are both being stepped up. The Gulf crisis is now at a critical phase which will determine whether there will be war or peace.

Recently, dialogue between the United States and Iraq has run aground because of differences in "the arrangement of time." In addition, the mediation by Arab countries and the international community so far has not achieved any results. It is, therefore, not without reason that people are worried about the outbreak of war. The key to war or peace, however, still lies with the United States and Iraq.

Up to now, Iraq has been taking an uncompromising attitude. President Saddam reiterated at a 29 December joint meeting of the leaders of the Revolutionary Command Council and the National Progressive Front that Kuwait is the 19th province of Iraq, and that Iraq definitely would not withdraw from Kuwait.

Some people hold that Iraq's tough stand is part of a strategy to "stand up to pressure in order to force a peaceful settlement." Iraq believes that, despite that it is under siege by hundreds of thousands of multinational troops, the serious consequences of a war will make it difficult for the United States and its allies to make up

their minds about starting a war. Recently, quite confused views have been heard in the U.S. capital. One moment the United States says it will fight, and another "it hopes that the U.S. troops in the Gulf area can go home without firing a single shot." This reflects the contradictory mentality and great worry of the United States about fighting a tough war.

It seems that Saddam clearly knows Iraq's current situation, but that he hopes his tough stand will force the other side to make some concession so that the problem may be solved without losing face. Therefore, Saddam insists that a solution to the Gulf issue must be linked with a solution to the Palestine issue.

Recently, Iraq recalled its ambassadors to the United Nations, the EC, and the 15 member countries of the UN Security Council to find a way to deal with the situation. According to reports, Iraq was said willing to come up with a new proposal and wanted the Security Council to adopt another resolution on solving the Palestine issue in exchange for Iraq's withdrawal from Kuwait. The Iraqi ambassador to the EC, however, said on 28 December that Iraq has no new proposal at the moment.

At present, some international mediation attempts merit our attention:

On 30 December, Saddam and Yugoslav Foreign Minister Loncar held a two and one-half hour talk. Speaking on behalf of the Nonaligned Movement, Loncar put forward a new peace proposal, which Saddam accepted. Details of the proposal have not been revealed. Loncar said that he wants to hold urgent consultations with nonaligned countries and the five permanent Security Council members on the proposal.

According to diplomatic personnel in Amman, France and the Soviet Union may, in the near future, put forward a joint proposal calling for Iraq's withdrawal from Kuwait and, at the same time, for the convening of a Middle East peace conference as soon as possible to solve the long-lasting Arab-Israeli dispute.

Meanwhile, the 12 EC member countries will hold an urgent foreign ministerial meeting on 4 January to discuss the possibility of launching a dialogue between the EC and the Iraqi foreign minister following the deadlock in the U.S.-Iraqi dialogue.

Algerian President Chadli Bendjedid will visit the United States in early January. During his visit, he will put forward a suggestion to President Bush on linking an Iraqi withdrawal with a solution to the Palestine issue.

Although talks between the United States and Iraq are deadlocked, the channel of contacts between the two sides has not been blocked. The charge d'affaires of the United States in Iraq has been maintaining contacts with Iraq. News from the United States also says that Baker may go to Baghdad to meet with Saddam in the near future.

If international mediation can achieve results and bring a breakthrough, the deadlock in the Gulf crisis may be broken and the situation will lead to a peaceful solution. Otherwise, war may break out.

Article Views World Economic Groupings

HK0301123091 Beijing RENMIN RIBAO in Chinese
27 Dec 90 p 7

["Yearend" by Sun Yi (1327 3015): "New Developments in Formation of World Regional Economic Groups"]

[Text] Since the beginning of the 1990's, the formation of regional groups in the world economy has shown signs of in-depth development. The economic integration in Europe, America, and the Asian-Pacific area has presented some new features, all of which has sparked widespread concern among the international community.

EEC Economic Integration Develops in Depth and Breadth

This year, EEC member states devoted a series of summit meetings to discussing two important issues, European Economic and Monetary Union [EEMU] and European Political Union [EPU]. At the EEC summit held on 25 and 26 June this year, a decision was made that the first phase of the EEMU should formally be brought into effect on 1 July. Following that, at the special summit in Rome on 27 and 28 October, it was decided that the EEMU would move into the second phase on 1 January 1994. The objective criteria for this transition were also prescribed: Formulating a uniform monetary policy; establishing an independent organization; each country carrying out rigorous budgetary policies; the maximum number of member states joining the exchange rate mechanism of the European structure; and so on. As for the EEC Political Union issue, at the 44th summit meeting which closed on 15 December, despite the vast, lingering differences on such issues as common diplomatic and security policies and the power distribution of various organizations, the leaders reached a common understanding on some major matters of principle. For example, reinforcing the power of the European Parliament and its supervisory authority over EEC policy making and gradually expanding the EEC's power in formulating security policies. They also presented a framework for further negotiations at intergovernmental meetings in the political union.

In particular, the new British Prime Minister John Major said that he was willing to "take an active part in building the EEC" together with everyone else and to fully participate in intergovernmental talks. This has attracted much attention. Because the establishment of the EEMU and EPU entails EEC member states giving up part of their sovereignty, it is therefore of extraordinary significance to the future building of the EEC that these countries reach a preliminary consensus on these two issues.

The building of the large European market in recent years has imparted more and more magnetism to the EEC, which has therefore shown a tendency toward expansion. After Turkey and Austria formally applied for EEC membership, in 1987 and 1989 respectively, Cyprus and Malta also formally sought to join the EEC in July this year. The six member states of the European Free Trade Association [EFTA] started formal talks with the EEC in late June this year on establishing a European Economic Zone. On 14 December, after a two-day ministerial meeting, EFTA reiterated its firm stand on realizing the European economic circle. Besides, as early as in 1985, Hungary and Yugoslavia expressed their wish to join the EEC. Since this spring, Poland and Romania have been saying that they wish to join the large internal European market in 1992. All this points to the fact that the development of European affairs over the past year or more has, to a great extent, gone beyond what the master designers originally pictured.

From North American Free Trade Zone to "American Economic Circle"

Since the beginning of this year, after the United States and Canada started to implement their free trade zone agreement on 1 January 1989, economic cooperation in North America has shown a tendency to extend toward Central and South America. It is widely speculated that in the coming few years, the overall momentum of development of the economic cooperation in America will be greatly strengthened.

Mexican President Salinas visited the United States on 11 June this year. His trip opened the door to U.S.-Mexican negotiations on a free trade agreement. President Bush put forward the request to formally start negotiations on a U.S.-Mexican free trade agreement to the U.S. Congress in September. Afterwards, he visited Mexico at the end of November. The two sides agreed that the U.S.-Mexican free trade talks would formally begin in mid-1991 and agreement reached by the end of 1992. It is predicted that if the U.S.-Mexican free trade agreement is reached according to schedule, the North American continent will probably form a free trade zone centering on the United States in 1993, paving the way for the eventual realization of the North American "Economic Common Market."

On 27 June this year, President Bush also formally advanced a plan for economic cooperation on the American continent, dealing with regional trade, debt relief, and increased investment. The main contents were as follows: The United States is to conclude free trade agreements with Latin American countries; part of the debt that the Latin American countries owe the United States will be relieved; private investment from the United States in this region will be increased; and efforts will be made to help speed up the process of privatization in some relevant countries. Obviously, what President Bush referred to as the new Latin American economic strategy is to promote economic cooperation between the United States and Latin American countries

by strengthening the United States' trade with Latin America and its investment in the latter, to establish a new free trade zone on the American continent. In early September, the 16th Latin American Economic System Council discussed Bush's proposal. Though Latin American countries were mostly cautious about the proposal and some countries had reservations, it was generally acknowledged that the Bush proposal provided a chance for strengthening economic integration in America. As Canada formally declared that it was joining the OAS on 14 May this year, it is foreseeable that the process of American economic integration will speed up.

Asia-Pacific Economic Cooperation Enters New Development Stage

Naturally, there are differences between the Asian-Pacific Economic Cooperation Zone which has taken shape and is being developed, and the EEC or U.S.-Canadian free trade zones. Because the industrial structure in this area is diversified and all the countries and regions here want to obtain comparative economic benefit from their economic cooperation, they are all striving for the initiative and taking advantage of their respective opportunities to participate in economic cooperation. Particularly since the end of last year, the economic cooperation organizations in this area have been developing from the basically nongovernmental consultative bodies of the past to official, coordinative ones. In November 1989, the first ministerial meeting on Asia-Pacific economic cooperation was held in Australia. Following that, on 30 and 31 July this year, the second ministerial meeting was held in Singapore. The ministers of the participating countries discussed the cooperative projects drafted by the countries, which included those for promoting trade, technical transfer, regional cooperation in energy industry, and cooperation in communications. The 12 countries involved all sent their foreign or trade ministers to the meeting, which indicates that the Asian-Pacific economic cooperation has entered a period of official coordination.

Naturally, however, this meeting was incomplete because it did not include such big East Asian nations as China. But the media hold that because China will participate in the activities of this organization in the capacity of a formal member, the role of this meeting as a coordination organization for regional economic cooperation is not to be underestimated.

In recent years, nongovernmental parties in China have made many-faceted explorations into the economic cooperation in the Asia-Pacific region and put forward numerous suggestions. In August this year, when answering reporters' questions in Bali, Indonesia, Chinese Premier Li Peng said: "Some countries suggest establishing an Asia-Pacific economic cooperation organization to strengthen economic cooperation in the Asia-Pacific area. We support this suggestion in principle. Because the conditions in various countries in the Asia-Pacific area vary and are in different stages of development, it is inappropriate to follow the modes of

others. China maintains that cooperation among Asia-Pacific countries should be established on the basis of equality, reciprocity, and mutual consultation."

What merits attention is that people used to think that one of the basic conditions for forming regional economic groups was a minimum disparity in the member countries' levels of development. This is because the closer the member states are in economic development, the better distributed the economic benefit brought forth by removing market obstacles and dividing up work according to professional categorization. And only in this way can the countries work out what their common economic demands are. The countries with differing types of economic development also differ vastly in economic benefits and demands and the contradictions and divergencies so caused are difficult to resolve. But the various phenomena emerging this year have stepped beyond conventional conceptions. The development of the three major economic circles indicates that the countries with differing levels of development and social systems also show the tendency toward cooperative development. This means that the formation of economic regions and groups in the world is now breaking away from the original framework and developing in more depth and breadth.

United States & Canada

U.S. Post-War Pragmatist Diplomacy Viewed

HK0401071391 Hong Kong TA KUNG PAO in Chinese
4 Jan 91 p 3

["U.S. Hotline" article by TA KUNG PAO's U.S.-based correspondent Chiang Kuo-yuan (1203 0948 0337): "The United States' Post-Cold War Pragmatist Diplomacy"]

[Text] New York, 3 Jan (TA KUNG PAO)—It was only this time last year when all of the United States was enthusiastically hailing the end of the cold war, with some conservatives even exuding confidence of "reigning over the world over." A year later, however, the United States finds itself on the eve of the largest military mobilization since the Vietnam war as the entire country is immersed in intense war preparations.

To the people who had celebrated the cold war's collapse a year ago, 1990 was a year in which they scratched their heads in frustration. Because looking at the current situation, it appears to be identical to the international climate in the 1960's and 1970's. Without question, the military deployment in the Middle East is a repeat of the Vietnam war.

The Weak Are the Prey of the Strong.

The big bullying the small and the strong preying on the weak—this is the reality of politics. Princeton University Political Science Professor Richard Falk described this

kind of diplomacy as pragmatist diplomacy. International politics is like a street fight among children, with the one with the biggest fist destined to win—whether he or she is afflicted with lung tumor or not does not matter. Hence, regardless of whether the United States is itself in poor shape or not, its fist is still pretty terrifying. The end of the cold war can be traced to the Soviet Union's withdrawal. In a game where the score is "zero to one," the United States is the undeniable champion. So, some people in the United States had begun proclaiming it a victory of the United States and the West. Hence, the United States felt it totally unnecessary to restructure the international order because it is the international order.

Amid cries for "the establishment of a new international order," the United States sends more than 300,000 troops to the Middle East. While on the surface, this was the signal of a restructuring of the international order by the United States, it was in fact merely the United States pursuing its foreign policy.

Iraq's invasion of Kuwait obviously undermined U.S. interests. The formulation of U.S. foreign policy is based on two considerations: One is national security and two is national interests. Even if Saddam Husayn could manufacture a nuclear bomb today, he still has no capability to drop it on the heads of American people. However, the invasion of Kuwait by Saddam's troops not only violated international law, but also seriously affected the interests of the United States and its Western allies. The principal U.S. guideline vis-a-vis order within its system during the cold war period has been the preservation of the status quo. It was Saddam's disruption of this U.S. arrangement which prompted the massive military deployment by the "international policeman."

For a very long time, U.S. global strategy was tied to dividing the world into two: half of the world comprised the Western countries led by the United States, while the other half was the communist world. Except for some slight commotions in this standoff in the early 1960's, a distorted atmosphere of peace had prevailed between the two big camps of the East and West. Confronting and intimidating each other with heavy arms, neither side wanted to fire the first shot nor become its first victim. It was under this state of love-hate contradiction that the world avoided a catastrophic nuclear war.

As far as the United States is concerned, the collapse of East Europe and the Soviet camp undoubtedly removed its major concern. However, the United States is no longer the United States of the 1950's and the brilliant George Marshall has been dead for many years now. The United States can only preserve order in the Western camp and rejoice over the East's disintegration, but it cannot rapidly incorporate it into the Western order. Over the years, the two sides had maintained relative stability under the two powers. With the sudden disappearance of one side, loss of control over order was

bound to happen. What the United States faced in 1990 was precisely an international order that had gone out of control.

Bush Displays His Mastery of Diplomacy.

While Bush is a master of diplomacy, he is not a creative diplomatic genius. Besides, with the United States handicapped by limited resources, he could not duplicate the Marshall Plan of assistance to West Europe. He could only rehash the ingredients on hand and hope to come up with a new dish. He did live up to his background as a diplomat, however, and has done well in the Gulf crisis.

Bush tried to abandon the ossified dogmas of the cold war period. The United States was willing to give the benefit of the doubt to any country which stood on her side. Hence, Baker met with the Cuban foreign minister. The United States made contacts with Syria and Iran. And to prevent the collapse of the Arabic alliance against Iraq, Bush personally instructed the United States to vote in favor of a UN Security Council resolution denouncing Israel. The Soviet Union also voted in favor of the decisive resolution numbered 668. These are all the results of Bush's efforts.

TIME magazine voted Bush its 1990 Man of the Year. Even though he scored low points in domestic politics, he won rave reviews for his handling of foreign affairs. Because of the separation of powers as provided in the U.S. Constitution, where foreign policy decisions are left up to the president, Bush was able to inject his own personal ideas about the international situation in the new era into the process of formulating foreign policies. Undoubtedly, Bush's foreign policy concept is imbued with pragmatism from beginning to end. He is willing to engage in anything that benefits the United States. The condemnation of Israel was the climax of his pragmatist diplomacy. It should be noted that if this bill had gone through Congress, it would never have been approved because of the overwhelming number of Jews in the Congress. And if the United States had not voted in favor of the resolution, the Arabic alliance would have fell through long ago.

Years as a technocrat have made Bush strongly averse to pretentious talks. In the entire year of 1990, Bush's foreign policy was spearheaded by pragmatism. He knew that the United States was past its prime and that the cold war's end also signified the beginning of the end of diplomacy based on power politics. This was being replaced by a new trend which seeks common ground on major issues and reserves differences over minor ones and which also abandons ideology.

Efforts Fail To Match Ambition To Reorganize International Order.

Those who had wanted to see the United States take the lead in reorganizing the international order in 1990 would have been disappointed for they have ignored two phenomena: the rise of medium- and small-sized states and the decline of U.S. might. The United States has

begun to withdraw from every region. This does not mean, however, that it is giving up its interests in these regions. On the contrary, it shows that the heavy intellectual investments made by the United States in the 1940's have borne fruit. Even in the absence of an American, the shadow of the United States continues to linger. This is true even though some people in the United States have no choice but to accept it.

In the days of declining U.S. power, Bush did not gloat over the honor of being the "winner of the cold war" nor did he engage in any reckless acts. Instead, he soberly realized that this historic mission of "what can the United States do?" was indeed a rare opportunity. The Americans have a saying to indicate their level-headedness: "I Know What I Am Doing" [passage in quotes published in English]. At the very least, Bush can say so without any qualms.

Northeast Asia

Further on Kaifu 'Exclusive' Interview

OW0301123791 Beijing XINHUA Domestic Service in Chinese 0740 GMT 3 Jan 91

[Text] Beijing, 3 Jan (XINHUA)—The first issue for 1991 of the weekly LIAOWANG, which will be off the presses on 7 January, carries an article by the weekly's special reporters Zhu Ronggen and Ma Xinghua on their exclusive interview with Japanese Prime Minister Toshiki Kaifu in Tokyo.

During the interview, Kaifu said he attaches great importance to Japanese-Chinese relations, and that Japan is willing to continue to provide cooperation to China in its efforts to modernize the country. He said he definitely will visit China in 1991 if the opportunity arises.

Speaking on the development of and changes in the international situation in 1991, Prime Minister Kaifu said: The international community currently is in a period of historic change. The cold war era has ended, and the international community, using dialogue and coordination as a keynote, is seriously exploring the establishment of a new international order. At the same time, however, the international community presently is characterized by the instability inherent in the transitional period leading to the establishment of a new international order. The world is still filled with regional conflicts resulting from nationality issues and territorial and nationalistic factors. And the possibility that new conflicts will arise has not lessened at all.

Prime Minister Kaifu said: Iraq's invasion of Kuwait runs totally counter to the aspirations of the people of the world. An attempt to regard Iraq's invasion and occupation of Kuwait as an accomplished fact is totally unacceptable. I completely support the efforts made by the international community, with the United Nations as its center, and strongly hope that real peace would be brought to the Gulf region at the earliest date.

Kaifu said: A positive trend toward relaxing tensions in the Asia-Pacific region has already surfaced. For example, efforts have been made to peacefully settle the Cambodian issue, prime ministers of the South and North sides in Korea have held talks, and Japan and North Korea have held talks on normalizing relations. However, the situation in this region is very complicated; destabilizing factors still exist in this region.

Speaking on the international situation and the situation in the Asia-Pacific region in 1991, Kaifu said the following four trends are very important:

1) Settlement of the Gulf crisis. Whether the Gulf crisis can be solved peacefully has a tremendous impact on the future development of the international situation. The only way to solve the crisis peacefully is for Iraq to completely withdraw its troops from Kuwait. 2) Development of the situation in the Soviet Union. The future development of the Soviet Union's domestic situation has a great impact on the entire international situation. 3) Efforts to enhance political stability in the Asia-Pacific region. I hope China will continue to make positive contributions. Soviet President Gorbachev is scheduled to visit Japan in 1991; this is an important opportunity to improve Japan-USSR relations and to enhance stability in the entire Asia-Pacific region. 4) Outcome of the Uruguay round of trade talks. Outcome of the talks is very important to the establishment of the world economic order in the 1990's.

Looking ahead to future Japan-China relations, Prime Minister Kaifu said: China is an important neighbor of Japan. Steadily preserving and developing Japan-China relations has great significance not only to Japan and China, but also to the peace and stability of the Asia-Pacific region and the entire world. What Japan and China can do is tremendous. I hope Japan and China will work hand in hand with the common conviction of making contributions to the peace and prosperity of the world.

Kaifu continued: In this sense, China's adopting the policy of reform and opening is very important to peace and prosperity in the Asia-Pacific region. For this reason, I expect China to make greater efforts to bring about richer results with regard to its policy of reform and opening. Japan will do its best to cooperate with China to enable it to win success in its efforts to modernize the country on the basis of the policy of reform and opening.

Relaxed Situation on Korean Peninsula Viewed

HK0401072791 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 52, 24 Dec 90 pp 26-27

["Dispatch" by Zhang Jinfang (1728 6930 5364) from Pyongyang: "Situation on the Korean Peninsula Tends To Become More Relaxed"]

[Text] In the past year, the changing air currents in the international situation also affected the weather over the

Korean peninsula. The rigid diplomatic and political structure was gradually changing, and the dialogue efforts and actions between the North and the South were advancing tortuously through overcoming mountains of difficulties. Under the new situation in which dialogue and confrontation existed side by side, the Korean peninsula and its periphery generally maintained the tendency toward steady relaxation.

Shortly after the beginning of 1990, North and South Korea embarked on a new round of multi-channeled dialogue. On the basis of the results of the dialogues in 1989, the two sides continued to discuss the organization of a combined team to participate in the 11th Asian Games and the second round of exchanges of art troupes and home-visiting delegations. However, because the South side created side issues and caused new complications, the talks failed to reach agreement at the last moment. The North-South parliamentary talks that were faced with sharp confrontation were also suspended when a parliament crisis occurred in South Korea. In contrast with the above talks, the dialogue at the vice-ministerial level between the two sides made a breakthrough and eventually succeeded in reaching agreement on arranging the prime ministerial talks.

North Korean Prime Minister Yon Hyong-muk and South Korean Prime Minister Kang Yong-hun held their first round of talks in Seoul in early September to discuss such major issues as peace on the Korean peninsula and the country's peaceful reunification. The meeting of the two prime ministers after Korea's division for 45 years was itself of great significance for relaxing the tense situation on the peninsula and promoting the thaw of North-South relations. Up to mid-December, the prime ministers of the two sides had held three rounds of talks, in which they stated their respective positions and explored the possibility of moving closer to each other. Although the two sides did not reach any agreement, they still reached some consensus and the sharp confrontation between the two sides was anyhow replaced with a more relaxed atmosphere of consultation. Both sides agreed to make joint effort for removing political and military confrontation and carrying out cooperation and exchanges. Of course, they stressed different aspects. The North maintained that efforts should first be made to eliminate the existing political and military confrontation between the two sides so trust can be built and a benign atmosphere can be created for cooperation and exchanges. While the South insisted that priority should first be given to cooperation and exchanges, with the elimination of North-South political and military confrontation being placed in a secondary position.

Amid the North-South dialogues, exchanges between the two sides also surged. Although the two sides did not form a joint delegation to participate in the 11th Asian Games, they still organized joint cheering squads during the games to encourage both North and South Korean athletes. The two sides also jointly arranged "Reunification Soccer Matches" separately in Pyongyang and Seoul. The Troupe of National Music of Seoul and the

Troupe of National Music of Pyongyang crossed Panmunjom successively to exchange their national musical art of the same origin. Scholars and clergypersons from both sides also began contact each other. All such exchanges and contacts increased the mutual understanding between the people on the two sides, and played a positive role in facilitating their communication.

Over the past year, the North side of Korea held high the banner of peace and peaceful reunification, and made great efforts to promote the relaxation of the situation on the Korean peninsula. President Kim Il-song proposed in his New Year message that the cement wall along the border be pulled down and free travel and all-around opening between the North and the South be realized. To realize his proposal, the North side proposed that a consultation conference attended by the North and South authorities and leaders of all political parties be held to discuss the issues of ensuring free travel and all-around opening of the border between the North and the South and pulling down the cement wall along the Military Demarcation Line on the southern side. In the prime ministerial talks, the North side emphatically proposed the signing of the "Nonaggression Declaration" and the reduction of military forces in stages in order to scale down the two sides' confrontation and create a benign atmosphere for peace and peaceful reunification. When meeting with South Korean Prime Minister Kang Yong-hun, President Kim Il-song explicitly articulated the idea about "one country, one nation, two systems, and two governments" and the idea that "neither side will swallow the other or will be swallowed up by the other." He also indicated that if the prime minister talks advance smoothly, he was also willing to hold top-level talks with South Korean President No Tae-u. All these proposals of North Korea not only gave consideration to the reality in South Korea, but were also in keeping with the desire of the people on both sides for peace and peaceful reunification.

While the feelings of detente were surging between North and South Korea, their relations with the external world also underwent major changes. Among other events, the establishment of diplomatic relations between the Soviet Union and South Korea and the beginning of the relations normalization process between Japan and North Korea were most spectacular.

The Soviet Union was a traditional ally of North Korea and had maintained close relations with North Korea for several decades. After Gorbachev made the Far East policy speech in September 1988, the Soviet Union began to adjust its policy toward the Korean peninsula and began to make its relations with South Korea increasingly closer. South Korea's Kim Yong-sam visited the Soviet Union twice separately in the capacity of the president of an opposition party, the Unified Democratic Party, and in the capacity of the senior representative of the ruling Democratic Liberal Party, and built the bridge between Moscow and Seoul. In June, No Tae-u and Gorbachev held an unexpected meeting in

San Francisco, and laid the foundation for the establishment of official relations between the two sides. On 1 October, both sides officially established ambassadorial-level diplomatic relations. Before and after that, official and unofficial exchanges between the two sides increased obviously. The Soviet Union sought political advantages and also gained economic benefits through strengthening its relations with South Korea. Because of the change in the Soviet policy toward the Korean peninsula, the structure in relative equilibrium began to under a new round of realignment in this region.

Since Korea's liberation, relations between Japan and North Korea have never been normal. Japan adopted the policy of "leaning to one side" in favor of South Korea, and this caused prolonged hatred and hostility between Korea and Japan. In September, a delegation of the Liberal Democratic Party and the Socialist Party of Japan with Shin Kanemaru, a powerful politician of the ruling Liberal Democratic Party, as head and Makoto Tanabe, vice president of the Socialist Party, as deputy head visited Pyongyang, and thus put on the prelude to the subsequent improvement of Korean-Japanese relations. The Workers' Party of Korea immediately made major adjustments of its policy toward Japan, and showed a positive posture to greet Japan's bipartisan delegation. Then, the three parties of Korea and Japan issued a historic joint declaration, urging the two governments to hold talks on normalizing relations. After that, government officials of the two countries held two rounds of preliminary talks and decided to hold official talks on relations normalization in January next year. The first step taken by Korea and Japan toward relations normalization will undoubtedly promote the detente process on the Korean peninsula and create conditions for bilateral cooperation between Korea and Japan.

The United States so far still sides with South Korea and takes South Korea as its major strategic base in the Asia-Pacific region. Therefore, it gives political and military support to South Korea in pursuing the "containment" strategy against the North. After the Soviet Union established diplomatic relations with South Korea, the United States did not make corresponding major adjustment of its policy toward the Korean peninsula. There were also, however, certain relaxations. Along with the decline of the U.S. influence, it required South Korea to play a greater role in that region, and announced that it would withdraw from three military bases and withdraw 7,000 non-combat personnel from South Korea step by step. It also transferred the commanding power in the Joint Headquarters of the United States and South Korea and the office of chief representative of the UN forces in the Korean Military Armistice Committee to South Korea. At the same time, the United States also made certain gestures to North Korea. For example, It restored diplomatic contacts with the North, sent congressmen to receive the remains of American soldiers killed in the Korean War from the North, and supported the joint entry of North and South Korea into the United Nations.

Ice three feet thick is not because of one day's cold. The first signs of thaw have appeared to the thick ice that has been formed for several decades, and initial adjustments have been made in the Korean peninsula's internal and external relations. The only way to realize peace and stability on the peninsula is to terminate the confrontation, intensify dialogue, and gradually improve the internal and external environment on the peninsula.

'Roundtable' Reviews 1990 Korean Situation

SK0401052091 Beijing International Service
in Korean 1100 GMT 31 Dec 90

[Roundtable talk by (Yang Yung-chol), (Choe Yong-su) and (Pak Sa), members of station editorial bureau, on situation on the Korean Peninsula in 1990—place and date not given]

[Text] [Announcer] How are you? As you know, the situation on the Korean Peninsula marked some changes entering the 1990's, thus evoking worldwide attention.

In other words, dialogue and contacts were constantly held between North and South Korea, and the trend of new dialogue and contact is shown on the Korean Peninsula. North and South Korea began to advance toward dialogue from the state of protracted confrontation. Mr. (Yang Yung-chol), will you speak on the progress of North-South dialogue?

[(Yang)] Yes, I will. An important event was marked in Korean history in 1990. That is: Premiers of the North and the South held high-level talks on three occasions. Their meetings served as a significant occasion for removing misunderstandings and deepening understanding and for easing tension on the Korean Peninsula.

In early September 1990, the North-South high-level talks were held in Seoul between Premier Yon Hyong-muk, head of North side's delegation, and Prime Minister Kang Yong-hun, head of the South side's delegation.

[Announcer] I think this was the first premier-level talks in 45 years since the Korean Peninsula was divided. What issues did they discuss in the first talks?

[(Yang)] In the first talks, both sides clarified their respective positions toward the issue of achieving peace and a peaceful reunification of Korea. They discussed issues on realizing exchanges and cooperation in various fields by removing political and military confrontation on the Korean Peninsula. The talks proceeded in an amicable, frank, and sincere atmosphere.

Although there were no remarkable results of the talks, the two sides laid a foundation for advancing the future talks by deepening mutual understanding.

[Announcer] How many North-South high-level talks have been held up to now?

[(Yang)] The talks were held three times. In mid-October 1990, South Korean Prime Minister Kang Yong-hun went to Pyongyang passing through Panmunjom and held the second round of North-South high-level talks with Premier Yon Hyong-muk. In the talks, views of two sides were narrowed and certain common consciousness for improving the North-South relations was marked.

[Announcer] I think that the third talks must have been held in Seoul.

[(Yang)] Yes, you are right. The third high-level talks between premiers of the North and the South were held in Seoul in mid-December after two months.

[Announcer] Did they reach an agreement on any specific issue during the third talks?

[(Yang)] No. No agreement was reached. Both sides agreed, however, to hold the fourth North-South high-level talks in Pyongyang in February 1991.

[Announcer] I understand that President Kim Il-song met Prime Minister Kang Yong-hun and President No Tae-u met Premier Yon Hyong-muk during the talks. Is that true?

[(Yang)] Yes, you are right. In their meetings, Presidents Kim Il-song and No Tae-u stressed that the North-South high-level talks be advanced in prompt manner. President Kim Il-song stressed to the North side's delegation [as heard] that since national reunification is the nation's greatest desire, a new phase should be opened for national reunification at an early date and successful progress must be registered in the North-South dialogue.

[Announcer] Yes. That is right. The current high-level talks, which were held between the two sides and called historic events, are important occasions for easing tension on the Korean Peninsula.

[(Yang)] You are right. The talks also opened a good beginning for dialogue and contact between the two sides. Besides, the current high-level talks were warmly welcomed by all the Korean people and evoked broad international interest.

[Announcer] Mr. (Yang), thank you for your detailed explanation on the process of dialogue.

Now, we would like to hear from any one of you about cooperation and exchanges between the two sides after the North-South high-level talks.

[(Pak Sa)] I will briefly discuss them. Since the North-South high-level talks were held, cooperation and exchanges were held for sports, culture, and the Red Cross.

Now, I will explain about sports exchanges. During the period of the 11th Asian Games in Beijing, the North and the South organized a joint cheering party. Following this, sportsmen from the North and the South agreed to resume sports talks at an early date. In

October, reunification soccer games were held in Pyongyang and Seoul, with men's and women's teams from the North and the South participating in them.

[Announcer] I think these games were the first such occasions held in each other's side in 45 years.

[(Pak Sa)] Yes, you are right. In particular, the responsible sports officials of both sides reached an agreement on the issue of forming a unified team to participate in the 41st world table tennis championship, in the Olympics to be held in Barcelona in 1992, in the Third Winter Asian Games, and in other major international games.

[Announcer] That is good news. Will you now explain about exchanges between the North and the South in the field of performing arts?

[(Pak Sa)] On 21 September 1990, the South Korean authorities approved the visit of 17 civilians, who had been invited by the North side, to Pyongyang for the first time in 45 years, and permitted them to attend a pannational reunification music festival.

Following this, on 9 December 1990, the Pyongyang National Music Troupe went to Seoul and participated in the 1990 year-end reunification traditional music festival. Thus, artists from the North and the South jointly staged performances.

[Announcer] No one could even imagine such an event in the past.

[(Pak Sa)] You are right. Both North Korea and South Korea reached an agreement on the principle for regular exchanges of artists. Based on this, they will stage performances in Pyongyang and Seoul once each year beginning 1991.

[Announcer] I see. I heard that contact between the Red Cross of the North and the South has become more frequent than ever before.

[(Pak Sa)] Yes. You are right. The central part of South Korea was severely damaged by heavy rain which fell from 9 to 12 September 1990. For this, the North side's Red Cross sent articles of comfort to the South side to express warmth and compatriotic affection of the North side's people to the South Korean victims of the floods.

[Announcer] I believe that the daily-increasing dialogue and contacts reflect the ardent aspirations of all Korean people for reunification.

[(Pak Sa)] You are right. These will set a broader foundation for the independent and peaceful reunification of Korea.

[Announcer] Yes, Madam Pak has properly explained the cooperation and exchange that the North and the South of Korea made last year. Now, Mr. (Choe Yong-su), you should say something about this.

[(Choe)] Yes, I will. Mr. (Yang) and Madam (Pak) have both concretely and comprehensively explained the

high-level talks between the North and the South and the cooperation and exchange that the two sides made in 1990. So, I will mention other developments on the Korean Peninsula which gained world attention for the past year. There were three such events on the Korean Peninsula in 1990. One of them was the move for detente in DPRK-U.S. relations. Counselor-level contacts between Korea and the United States were held on several occasions last year.

In late September 1990 (?several) U.S. congressmen directly met with three representatives from the DPRK Supreme People's Assembly (SPA) in Panmunjom. There, the U.S. congressmen received the remains of 40 U.S. soldiers who were missing during the Korean war. After receiving the remains, U.S. congressman Montgomery said: The first official contact between representatives from the DPRK SPA and U.S. congressmen is an important event in regard to relations between the two countries. Then, he expressed the hope that the return of the remains of U.S. soldiers would become an occasion for the improvement of relations between Korea and the United States in the future.

The second event involves the steps taken to improve relations between Korea and Japan. In other words, the DPRK-Japan relations are being improved. In late September of last year Shin Kanemaru, former deputy prime minister of Japan and dietman of the House of Representatives, visited Korea, leading a Japanese Liberal Democratic Party (LDP) delegation.

[Announcer] This was the first high-level contact between the ruling parties of the two countries in 45 years, wasn't it?

[(Choe)] That's right. This shows that the process for improving relations between Korea and Japan has already started. During the visit to Korea by the LDP delegation led by Shin Kanemaru, talks were held between President Kim Il-song and Shin Kanemaru. The two sides of Korea and Japan have agreed upon on various issues. First of all, the two countries have unanimously agreed to hold government-level official talks. The two countries have already held three rounds of preliminary talks to discuss the normalization of diplomatic relations between them. The two sides have reached an agreement on many issues.

The third event was the establishment of diplomatic relations between the Soviet Union and South Korea. I believe that all of this will surely influence the situation on the Korean Peninsula.

[Announcer] I agree with you. Mr. (Choe), thank you for your concrete explanation about the three events on the Korean Peninsula last year that arrested world people's attention. Since the Korean Peninsula was divided into two long time ago, the Korean people have undergone the sufferings of having to live separated from their families. This is why the people in the world ardently want the ongoing North-South premiers talks to produce

a fruitful result so that the peaceful reunification of Korea can be achieved at the earliest possible date. Thank you again.

Near East & South Asia

Article on Deadlock in Middle East Peace Process

HK0401035291 Guangzhou YANGCHENG WANBAO
in Chinese 28 Dec 90 p 2

["Yearender" by Rui Yingjie (5360 5391 2638): "The Deadlocked Middle East Peace Process"—provided by XINHUA News Agency exclusively for YANGCHENG WANBAO]

[Text] The Middle East peace process which had been trudging ahead amid difficulties, but which had become an object of hope, vanished almost completely from the scene in 1990. The unpremeditated Gulf crisis in the second half of the year diverted the attention of the world and threw the issue of Palestine, the focal problem of the Middle East, into secondary place.

The leaders of the Palestine Liberation Organization [PLO] recently called on the world to study the Middle East issue in a "conscientious and responsible way" and to adopt necessary measures to end the Israeli occupation of Palestinian territories. But soon afterwards, the vote for a draft resolution, which had been proposed by Yemen, Cuba, and some other countries to the UN Security Council to hold a Middle East peace conference and to completely resolve the Middle East problem, was postponed because the United States stood in the way. This alone suffices to show that even restoring the momentum of the peace talks is not an easy thing to do, let alone "ending the occupation."

The uprisings against Israeli occupation in the occupied territories on the West Bank of the Jordan River and the Gaza Strip have continued for a good three years. During these years, the Palestinians have paid heavy sacrifices: Over 800 killed, thousands wounded, and tens of thousands imprisoned. Their struggle and spilt blood aroused sympathy around the world, but no one can say that the world has given them enough support or concern. The uprisings will go on, but may meet with even more brutal suppression. On 6 December, Israeli Prime Minister Shamir announced that Israel will not give in and threatened to use more severe measures to put down the uprisings on the West Bank and Gaza Strip.

In October 1989, U.S. Secretary of State Baker put forward a proposal for an Israeli-Palestine dialogue, which indicated the United States' wish to help bring about a peaceful settlement in the Middle East. This proposal led to a crisis between the Israeli Labor Party and Likud. But it ended in the victory of the Rightist group of Likud who rejected Baker's proposal. That Likud leader Shamir resumed the post of Prime Minister on 11 June this year was nothing short of a serious message to the Palestinians in Arabia: Even though the

voice of the Israeli people for a peaceful settlement is growing louder by the day, the hardliners in the ruling group still have the upper hand.

For a time, the United States was profoundly disturbed by the emergence of an ultra-Right cabinet in Israel and its rejection of Baker's proposal, thinking that it had interfered with the United States' Middle East policy; bilateral relations went descended to a nadir. The discord between them was not originally harmful to the Palestinian cause. But when the Gulf crisis occurred afterwards, the U.S. and Israeli interests were once again linked up. They concentrated their energy on tackling Iraq and deliberately laid aside the issue of Palestine.

On the fourth day after the annexation of Kuwait was declared, Iraqi President Saddam Hussein, in his proposal to the United States and the international community, put down the Israeli withdrawal from Arab territories as one of the preconditions for Iraq's withdrawal from Kuwait. Their enthusiasm aroused, the Palestinians wanted to spotlight the Middle East issue taking advantage of the Gulf crisis. But this mode of associative settlement was rejected by the United States and other Western countries at the very beginning. And after they were sobered, they realized that settling the Palestinian problem was not the objective of Iraq's invasion of Kuwait.

Since the first Middle East war, the Arab-Israeli conflict and Palestinian problem have lingered for 42 years, and 23 years has passed since the West Bank of the Jordan River and Gaza Strip were occupied. As the armed struggle has come to no avail, the PLO started to focus on political and diplomatic struggles in 1982. They raised the slogan of "swap peace with land" and recognized the existence of Israel, in the hope of restoring their homeland by peaceful means and enjoying subsequent peaceful coexistence. But Israel again made it clear that they would not leave the land. So far, political and diplomatic means have not brought any results. Some Palestinians have lost patience and once again cried out the slogan of armed struggle.

The mainstream forces in the PLO headed by 'Arafat have clearly avowed that they would continue, however, to seek a peaceful settlement. It is a general wish that after the Gulf crisis, the peace process in the Middle East will become active again. That the world stands on the side of Palestine will not change.

Gulf Crisis Developments Difficult To Predict

HK0401125791 Beijing RENMIN RIBAO in Chinese
31 Dec 90 p 6

["Yearender" by Zhu Mengkui (2612 1125 7608): "It Is Difficult To Predict the Development of the Gulf Crisis"]

[Text] The Iraqi invasion of Kuwait on 2 August this year gave rise to the world-shocking Gulf crisis.

Upgrading of Military Confrontation

The Iraqi invasion of Kuwait evoked strong repercussions in the international community. Since 7 August, the United States has been carrying out its "Operation Desert Shield" and transporting large numbers of troops and weapons to Saudi Arabia. On the other hand, in the name of carrying out the relevant UN resolutions on imposing economic sanctions, it has been sending more and more air and naval forces to the Gulf area as well as the Red Sea and Mediterranean area to enforce a strict air and sea blockade of Iraq. A total of 29 other countries, including the Western allies of the United States and some Arab and Islamic countries, have also dispatched troops and naval and air forces to Saudi Arabia and other Gulf states and areas. By the end of December, there were already a total of more than 300,000 troops from various countries in the Gulf area, adding more than 1,200 aircraft, more than 1,000 tanks, and 120 warships. The United States plans to increase its Gulf troops to 430,000 at the beginning of next year. By that time, the total number of foreign troops in that area will reach about 530,000.

Meanwhile, Iraq has also strengthened its military deployment and increased troops to Kuwait. For this purpose, it has settled its dispute with Iran and transferred the 300,000 troops along the Iraq-Iran border to the Kuwait-Saudi Arabia border. At present, Iraq has deployed about 500,000 troops and more than 3,000 tanks in Kuwait. It has decided to increase its troops in Kuwait to 700,000. Over the past few months, with the aggravation of military confrontation between the multinational troops and Iraq, the danger of war has become imminent in the Gulf area.

No Headway Is Made in Peace Effort

To prevent war and strive for a peaceful settlement of the Gulf crisis, the international community has made unprecedented efforts. The Arab League, the Islamic Conference, and the United Nations have held many emergency meetings, demanding that Iraq withdraw its troops immediately and unconditionally and appealing for a peaceful settlement of the Gulf crisis. The UN Security Council adopted 12 resolutions on the crisis, including Resolution 678, which sets 15 January 1991 as the deadline for the Iraqi troop withdrawal. After the deadline, the international community will adopt all necessary measures. In this period, various countries involved in the Gulf crisis and many other countries and international organizations have been carrying out shuttle diplomatic activities and repeatedly mediating between the two sides. They have put forth all kinds of peace proposals and plans for a peaceful solution. A common aspect of these proposals and plans is that the key to a peaceful solution to the Gulf crisis lies in the Iraqi troop withdrawal. But to date, Iraq is still refusing to withdraw troops from Kuwait, insisting that the Gulf crisis should be linked to the Palestine issue. The United States, Kuwait, and other Gulf states are resolutely opposed to any program for a partial solution to the

crisis. They emphasize that Iraq should withdraw from Kuwait immediately and unconditionally. Kuwait has also reiterated many times that the Kuwaiti people will never cede an inch of their territory. As there are great differences in the stands of the main parties involved in the Gulf crisis, no headway has yet been made in the efforts of the international community for a peaceful solution to the Gulf crisis.

It Is Hard To Predict the Future, Whether There Will Be "War" or "Peace"

The UN Security Council's Resolution 678 was rejected by Iraq. Both sides are continuing to increase their forces. There is an increasing danger of war. Recently, U.S. Defense Secretary Cheney and Chairman of the Joint Chiefs of Staff Powell paid a visit to Saudi Arabia. During their visit, they discussed with Saudi Arabia and the multinational troops matters concerning strategic deployment and military coordination. When inspecting the U.S. troops in Saudi Arabia, Cheney said that if Iraq will not withdraw troops within the deadline, the Gulf war will break out. In Iraq, propaganda and education on war knowledge and wartime exercises have been frequently carried out. There are indications that the military confrontation in the Gulf area has entered a period of being ready in full battle array.

People can also see, however, that while war clouds are gathering, various parties concerned have also stepped up their peace efforts, trying to find a political solution to the Gulf crisis before 15 January next year. The Gulf summit held recently in Doha, the capital of Qatar, expressed hope for a peaceful solution to the Gulf crisis and emphasized that war will bring disastrous consequences to the Gulf area. In the United States, there are also increasing views opposing the use of arms in the Gulf area. On the day after the Resolution 678 was adopted, President Bush expressed his willingness to hold direct dialogues with Iraq. Recently, Iraq has also repeatedly expressed its willingness to hold dialogues with various countries on the political settlement of the Gulf crisis and other issues. It also released all Western hostages. All this is regarded as a small sign of relaxation in the tense atmosphere.

To sum up, it is still difficult to predict the future of the Gulf situation, whether there will be "war" or "peace" there, because it is restricted by many uncertain factors. It is possible that a dramatic change may suddenly take place. Nevertheless, no matter how and when the Gulf crisis is ended, it will inevitably have a complicated and great impact on the political pattern of the Gulf area, the Middle East situation, U.S.-Arab relations, and the world political and economic situation.

Iraq Owes Jiangsu Province Over \$50 Million

HK0301050191 Hong Kong MING PAO in Chinese
3 Jan 91 p 9

["Special Dispatch:" "Iraq Owes Jiangsu Over \$50 Million"]

[Text] Jiangsu Province in east China also suffers a great economic loss because of the Gulf crisis. According to Nie Haiqing, director of Jiangsu Provincial Committee on Foreign Economic Relations and Trade, Iraq owes Jiangsu \$57 million; and up to now, the money has still not been paid.

Nie Haiqing, who is currently leading an economic and trade mission to Hong Kong, said yesterday that Iraq owes Jiangsu \$57 million, \$37 million in arrears in the past two years, and \$20 million in arrears after Iraq invaded Kuwait. One portion of the money was new loans to Iraq last year, and another portion was the travel expenditures spent evacuating Jiangsu workers from Iraq.

According to information, since early August, Jiangsu has evacuated more than 2,900 workers from Kuwait and Iraq. At present, because the Gulf crisis has reached an impasse, the province cannot clearly calculate the remuneration for labor export. Nie Haiqing said they expressed a grave concern for the changes and development in the Middle East; he said it would be better if war does not break out and if the problem in the region can be solved by peaceful means.

In addition, Nie Haiqing disclosed that to strengthen management over foreign exchange, the Ministry of Foreign Economic Relations and Trade, the State Administration of Exchange Control, and two other ministerial units recently issued a joint notice to various provinces in the whole country. The document demands that the companies and units engaging in foreign trade and export should report the amount of foreign exchange they have to the provincial administration of exchange control. He said that this measure is for preventing some interior companies and units from establishing "treasuries" outside China and evading foreign exchange.

Nie Haiqing also thought that the recent decision by the central authorities to practice "a unified policy, self-determination rights concerning operation, and assuming sole responsibility for loss and gain" among enterprises is a good one, because it changes the situation whereby in the past enterprises excessively relied on the central authorities and ate from the same big pot. He said the states had already abolished the subsidies for clothes exports, light industrial products, and foodstuffs.

From now on, Jiangsu will strengthen the economic returns among the enterprises in the province, and improve the quality of their products, to enable more Jiangsu products to enter the international market, he added.

Buddhist Delegation Begins Visit to Nepal

OW0301184091 Beijing XINHUA in English
1524 GMT 3 Jan 91

[Text] Kathmandu, January 3 (XINHUA)—A five-member Chinese Buddhist delegation led by Jia Muyang, vice-president of the Chinese Buddhist Association, arrived here today on a week-long visit to Nepal.

Jia said the visit aims at promoting friendly exchanges between the Buddhist circles of the two countries.

During the visit, the Chinese Buddhists will visit Lumbini, the birthplace of Sakyamuni, founder of Buddhism, and some famous Buddhist temples in Nepal.

West Europe

Sweden's Charge d'Affaires Expelled

OW0401070491 Beijing XINHUA in English
0654 GMT 4 Jan 91

[Text] Beijing, January 4 (XINHUA)—A responsible official of the West European Department of the Chinese Foreign Ministry has informed charge d'affaires ad interim of the Swedish Embassy in China that the Chinese Government declared a diplomat of the embassy and her spouse "persona non grata" as they had been engaged in activities incompatible with their status and demanded their departure from China within a time-limit, XINHUA learned here today.

The responsible official pointed out that the Chinese Government has all along attached importance to and worked for safeguarding and developing Sino-Swedish relations.

"It is our hope that our relations will be able to grow in a sound manner on the basis of the fundamental principles of international law and the norms governing international relations," the official said.

Li Ruihuan Meets Maltese Former Prime Minister

OW0401111591 Beijing XINHUA in English
1034 GMT 4 Jan 91

[Text] Beijing, January 4 (XINHUA)—Chinese Communist Party Leader Li Ruihuan and visiting Maltese Labour Party leader Carmelo Mifsud Bonnici had an extensive exchange of views on the current international situation and issues of common concern here today.

Li, a Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, briefed the visitor on the Central Committee's Seventh Plenary Session which was held last week. He also explained China's domestic and foreign policies.

Bonnici, who is also former prime minister of Malta, arrived here on Wednesday at the invitation of the Chinese People's Institute of Foreign Affairs.

Political & Social**PRC Magazine Says 'Gang of Four' Still in Jail***OW0401034791 Tokyo KYODO in English 0313 GMT 4 Jan 91*

[Text] Beijing, Jan. 4 KYODO—The Gang of Four, radical leaders of the 1966-1969 Cultural Revolution in China, including Jiang Qing, widow of the late Mao Zedong are still serving their terms in jail, according to a report in the monthly Guangzhou-based magazine "Nanfengchuang" [as received] available in Beijing on Friday.

Other members of the Gang of Four are Zhang Chunqiao, former standing committee member of the party's politburo, Wang Hongwen, former vice party chairman, and Yao Wenyuan, former party politburo member.

The Gang of Four were arrested in 1976 for plotting a coup. In 1981, Jiang Qing and Zhang Chunqiao were convicted and received death sentences, which were suspended for two years and then commuted to life imprisonment in 1983.

The January issue of the local magazine also disclosed for the first time in the Chinese media that senior Chinese leader Deng Xiaoping told officials during the trial it was "better not to kill even a single person."

The 75-year-old Jiang Qing's health has slightly improved, the report said quoting former judges at the trial of the Gang of Four. Chinese authorities previously confirmed that Mao's widow had frequently been sick.

Observers said the latest report is intended to end overseas speculation about the release or death of the Gang of Four on the 10th anniversary of their trial.

Reformers Reportedly Accorded 'Lenient Treatment'*HK0401014391 Hong Kong SOUTH CHINA MORNING POST in English 4 Jan 91 p 8*

[By Willy Wo-lap Lam]

[Text] Radical members of the brain trusts of ousted party chief Mr Zhao Ziyang have been accorded "lenient treatment", informed sources said yesterday.

After the Tiananmen Square crackdown in June 1989, six members of the liberal Research Institute for the Reform of the Economic Structure (RIRES), Mr Zhao's major think tank, were arrested for alleged involvement in the democracy movement.

However, the sources said, the six had recently been allowed to go home pending trials that should be held before March.

The sources added it was likely they would be accorded lenient treatment by the courts.

And most of the 100-odd researchers of RIRES, which had been accused of spreading "bourgeois-liberal" ideas, have been allowed to re-register as Communist Party members.

The membership re-registration, which began in early 1990, is seen as a way of weeding out disobedient party affiliates.

However, analysts in Beijing say it is probable that the institute, which is nominally under the leadership of the State Commission for the Reform of the Economic Structure (SCREC), will be disbanded shortly.

One of first jobs handled by Mr Chen Jinhua, who became Minister of SCREC last year, was to oversee the dissolution of the institute.

However, a few senior SCREC cadres have argued for at least temporarily preserving RIRES, which has an annual budget of more than one million yuan (HK\$1.5 million Hong Kong Dollars). They contend that if RIRES is dissolved, SCREC may not be able to keep the financial allotment.

Sources close to RIRES say most of its researchers will be able to find employment with other Communist Party or government departments.

And dozens of the academics have already been hired as advisers or consultants by cities and open zones along the southeast coast.

Earlier last year, another liberal think tank that had been accused of helping pro-democracy demonstrators in 1989, the Rural Development Research Institute (RDRI), was also dissolved.

However, the 100 or so social scientists RDRI employed have been seconded to other major party and Government research organisations.

They include the Chinese Academy of Social Sciences, and the Economic, Technological and Social Development Research Centre of the State Council.

For example, economist Chen Xiwen, who used to head RDRI, has become a deputy department head at the centre.

At the same time, the authorities have also been trying to lure back former members of radical think tanks who left China after the June 4 crackdown.

Informed sources say Beijing has rolled out the red carpet for overseas-based intellectuals except for those who are active members of dissident organisations like the Paris-based Federation for a Democratic China.

They say Beijing has accorded lenient treatment to the radical social scientists in order to improve the serious morale problem among the nation's intelligentsia.

Zou Jiahua Calls on Workers on New Year's Day

*OW0201023191 Shanghai City Service in Mandarin
1000 GMT 1 Jan 90*

[Excerpt] This morning, Zou Jiahua, state councillor and minister in charge of the State Planning Commission; Zhu Rongji, secretary of the municipal CPC Committee and mayor of Shanghai; and Vice Mayors Huang Ju, Gu Chuanxun, Liu Zhenyuan, Ni Tianzeng, and Zhuang Xiaotian, went to the grass roots in six different groups to call on workers who insisted on working during the festive season, and to encourage them to unite more closely together during the new year, as well as to strive to successfully fulfill the magnificent objectives of the ten-year development plan and the Eighth Five-Year Plan.

At 0900, Comrades Zou Jiahua and Zhu Rongji arrived at the main plant of the Baoshan Steel Complex. After listening to a report on the production infrastructure from Zhu Erpei, party committee secretary of the main plant, they went to the platform and control room of the No. One Blast Furnace of the complex to call on cadres and workers doing overtime, and to convey their season's greetings. Zou Jiahua and Zhu Rongji then went to the construction site of the no. 3 blast furnace of the complex, where piling work was in progress, to call on workers who were driving the first pile of the construction project.

At 1100, State Councillor Zou Jiahua inspected the Sino-foreign joint venture, the Yichang Plywood Corporation, accompanied by Mayor Zhu Rongji, and toured the main workshop. He warmly shook hands with the workers there on overtime, and extended his season's greetings. [passage omitted]

Wang Fang Visits Grass-Roots Police Units

*OW0201145591 Beijing Central Television Program
One Network in Mandarin 1100 GMT 2 Jan 91*

[From the "National News Hookup" program]

[Text] On New Year's Eve, State Councillor Wang Fang visited the cadres and members of the police at grass-roots police stations and traffic police detachments in Hangzhou.

At the (Hubin) police station in Hangzhou, Wang Fang pointed out, after listening to a briefing: We should do all we can to ensure good law and order. We should combine the efforts to strike and the efforts to prevent, take both stop-gap measures and radical measures at the same time, and make comprehensive efforts to improve law and order. [Video shows medium and closeup shots of Wang Fang visiting a police station and a traffic police detachment]

At the (Xihu) traffic police detachment, Wang Fang said: Traffic police work is one of the police services that

involves toilsome duties. In performing your duties, you should be polite, do things properly, and help the people solve problems.

Wang Fang called on the public security police to handle things impartially and strictly according to the law, serve the people wholeheartedly, and make still greater contributions to consolidating and enhancing the political situation of stability and unity in the new year.

Ren Jianxin Interviewed on Juvenile Courts

*OW0301195691 Beijing XINHUA in English
0746 GMT 3 Jan 91*

[Text] Beijing, January 3 (XINHUA)—The aim of China's juvenile courts, which now number more than 860, is to concure society and the family to help young offenders start anew, according to Ren Jianxin, the president of China's Supreme People's Court.

Juvenile courts were first set up in China in 1984 in an effort to take into account the special needs of young offenders. They have become increasingly popular over the past six years.

The courts differ from normal criminal courts in many respects. The defendants may sit during the court proceedings, sitting quite close to, and at the same height as the judges. Most juvenile court judges are experienced and have a good background of juvenile psychology. They make a special effort to ask questions in a soft tone and use simple words, according to Ren. The chief justice said that the court judges inform the juveniles of their legal rights and try to clarify any of their misconceptions of the law before the court trial.

He added that in growing instances, the judges also meet with a defendant's family, school officials, neighbors and friends in order to obtain a better understanding of the circumstances surrounding the offense and the offender. Although quite different from normal criminal courts' trials, these methods are now accepted by an increasing number of juvenile courts throughout China.

During an interview, Ren said that the mental and physical characteristics of juvenile offenders are quite different from those of adult offenders. Ren stressed that the accused juveniles are likely to go extremes, are vulnerable to evils in society, and are comparatively ignorant of the law. They are usually full of fear when they are arrested and brought before the court, the chief justice noted.

Juvenile courts invite child psychology experts and teachers from women's federations and schools to tutor the young offenders and help them turn over a new leaf.

According to law, juvenile court trials are not open to the public. Juvenile courts will assign lawyers to represent young offenders and defend their legal rights if they are unable to obtain one on their own. Legal representatives are also invited to attend the court proceedings to protect the legal rights of the defendants.

Juvenile courts treat the young accused leniently and do not send them to reformatories if it is possible to put them on probation instead, Ren noted.

Courts visit juvenile delinquents at regular and irregular intervals. When delinquents are released upon completion of their sentences, the juvenile courts make suggestions to relevant organs, such as labor bureaus or schools, in an effort to help the juveniles continue their studies or obtain jobs.

"Where juvenile courts have done a good job, the number of cases involving juveniles and the number of juvenile offenders are decreasing," said Ren. He added that only 0.4 to 0.6 percent of the total number of juvenile crimes are committed by repeat offenders.

China's juvenile courts have gained a lot of experience in juvenile court trials, said the chief justice. He hopes that China's juvenile courts will exchange with foreign courts experiences regarding the trial and treatment of juvenile defendants and delinquents.

Tian Jiyun Attends Shantou Anniversary Meeting

OW0401045291 Beijing International Service
in Mandarin 0900 GMT 3 Jan 91

[From the "Report on Current Affairs" program]

[Text] A gathering to mark the ninth founding anniversary of the Shantou Special Economic Zone and a New Year get-together were held in Beijing in the evening of 2 January.

Party and government leaders, including Tian Jiyun, Duan Junyi, Peng Chong, Chen Muhua, Gu Mu, and people from various circles in Beijing, totaling 500 in all, attended the gathering.

(Wu Po), director of the Management Committee of the Shantou Special Economic Zone, briefed the attendees on the achievements made by the Shantou Special Economic Zone in the last nine years. He said: The area of the zone has expanded from 1.6 square km to 52.60 square km. Its total industrial output value increased sharply from 400,000 yuan in 1982 to 1.9 billion yuan in 1990. The zone has earned \$1.3 billion from exports in the last nine years. A number of infrastructural construction, including communications, power and water supply, and roads have been completed there. Shantou is a special economic zone geared toward the international market and thus is developing an export-oriented economy.

Yang Shangkun Visit to SEZ Reportedly Surprise

HK2912014590 Hong Kong SOUTH CHINA
MORNING POST in English 29 Dec 90 p 8

[By Chris Yeung]

[Text] Chinese President Mr Yang Shangkun, who surprisingly attended the 10th anniversary of the establishment of the Zhuhai Special Economic Zone (SEZ) last month, had never intended to show up at the celebrations, it was revealed yesterday.

According to his host in the SEZ, the party elder had originally planned to "take a rest" in a holiday resort in Zhangshan, near Zhuhai. The President was persuaded to attend the festivities in Zhuhai at the last minute.

The director of the Chongshan Hot Spring Resort, Mr Situ Zhelin, said yesterday: "At that time, Yang Shangkun thought we were celebrating the 10th anniversary of the founding of the resort. He arrived on November 27 by special plane. The actual anniversary is today [Friday]."

"Mr Yang had not planned on attending the Zhuhai celebrations. His only goal was to take a vacation. However, soon after his arrival, the Zhuhai mayor, Liang Guangda and other municipal leaders came here and persuaded him to be the guest of honour at the festivities. He just could not say no."

Mr Situ's revelations explained why Mr Yang, one of the patrons of the zones, missed the celebrations in Shenzhen, the largest SEZ of the province.

Mr Situ said Mr Yang looked even healthier than in 1988 when he visited the scenic golf course—the major attraction of the resort—with the then party General Secretary, Mr Zhao Ziyang.

Even after his fall from grace, Mr Zhao has remained one of the 20 honorary members of the elite club, which include Mr Yang and another party elder, Mr Wang Zhen.

A golf fan, Mr Zhao gave his personal support for the building of the first golf course on the mainland.

"We are not concerned about [Mr Zhao's sacking]. As a Chinese citizen, he can still take part in sports. Golf is not a game that is based on class discrimination," Mr Situ said.

"Moreover, the golf course is not a political organisation...furthermore, comrade Zhao Ziyang is still a Communist Party member."

However, an album of the picture of VIP players did not carry any photo of Mr Zhao.

"It's just because of a space problem," Mr Situ said.

Li Ruihuan Views Vitalization of Beijing Opera

OW2912185290 Beijing Domestic Service
in Mandarin 0200 GMT 29 Dec 90

[Text] Dear listeners, in this program we are going to broadcast a report on Comrade Li Ruihuan's speech at a symposium marking the bicentennial of the arrival of

Anhui Opera troupes in Beijing and calling for the vitalization of the Beijing Opera.

Li Ruihuan's speech is divided into eight parts: 1) The Beijing Opera is a gem of Chinese national culture; 2) problems and opportunities faced by the Beijing Opera; 3) inheritance and development of the tradition of the Beijing Opera; 4) popularization and heightening of Beijing Opera art; 5) sorting out old Beijing operatic plays and creating new ones; 6) selecting and training Beijing Opera performers; 7) adjustment and reform of Beijing Opera theaters and troupes; and 8) making concerted efforts with one mind to vitalize Beijing Opera.

Li Ruihuan said: On the occasion of the bicentennial of the arrival of Anhui Opera troupes in Beijing, we are holding various ceremonious commemorative activities in Beijing surrounding the theme of vitalizing the Beijing Opera. This is a major event in the nation's cultural and art circles, especially in the realm of the Beijing Opera. It is bound to play a stimulating role in and produce a positive effect on further vitalizing Beijing Opera art, enlivening the cultural life of the masses, developing the nation's fine culture, and building a socialist new culture with distinct Chinese characteristics.

Li Ruihuan pointed out: The question of vitalizing Beijing Opera is also one of developing our fine national culture. A gem of Chinese national culture, the Beijing Opera has struck root in the fertile soil of our natural culture and is an agglomeration of the essence of various kinds of Chinese operas and the long history of their origin. Although it has been only 100 years and several decades since the Beijing Opera formally came into being, it exists in the same vein as the nearly 2,000-year-old tradition of Chinese operas, if we trace its origin. It was formed and developed on the basis of already-gained achievements of numerous other operas and by absorbing their strong points. The Beijing Opera originated with the people and became popular among the people. It received the attention of and was promoted by the court of the Qing Dynasty. Moreover, for a long time, Beijing Opera performances were concentrated in the capital, a galaxy of cultured people and cultural activities, and so it was possible for the Beijing Opera to draw on the traditional culture of the Chinese nation and assimilate the essence of the diverse literary and art forms of this culture. It was in such a favorable environment that the Beijing Opera assimilated the strong points of all other operas and, through the industrious efforts of many generations of performers, finally gained its unique artistic features and developed into a national opera. It was thus designated the major opera and the national opera and for a time was the leading performing arts opera.

After a general description of several characteristics of the art of Beijing Opera, Li Ruihuan said: With its rich and profound content, perfect form, and excellent performing skills, Beijing Opera has reached the pinnacle of its development as Chinese operatic art. With distinct

national characteristics and a strong artistic charm, it should be regarded as one of the representatives of the fine Chinese national culture. Its imaginative expressions, unrestricted by time and space, as well as its artistic exaggeration and surreal tools, from makeup to performance, are of very high artistic value and manifest an aesthetic view with unique traditional Chinese features. It thus constitutes an oriental system of operatic art characteristic of China. Entirely comparable to such foreign operatic art systems as Stanislavsky and Brecht, it ranks with the numerous arts in the world and enjoys a high international prestige. Chinese operas, represented by the Beijing Opera, have striking national and popular characteristics and draw large audiences. The Beijing Opera is not only a gem of Chinese national culture but also is a fine product in the cultural treasury of mankind. It has played a significant role in our country's cultural exchange with foreign countries. We must fully understand and attach great importance to the position and value of the Beijing Opera. It is why the central authorities support activities in commemoration of the bicentennial of the arrival of Anhui Opera troupes in Beijing as a way to promote the success of the Beijing Opera.

Referring to problems and opportunities faced by the Beijing Opera, Li Ruihuan said: We must soberly acknowledge that the art of Beijing Opera is now in an unfavorable condition and has met with numerous difficulties. Many Beijing Opera theaters and troupes cannot draw large enough audiences to their performances, their economic returns are low, their operations are hard to develop, and their performing contingent is unstable. This has made it difficult for them to continue their operations. As far as the development of Beijing Opera art is concerned, a certain crisis has indeed appeared. Faced with this situation, we must have a sense of urgency and take effective measures to change the situation as soon as possible. Of course, to say that the Beijing Opera is meeting with difficulties is not tantamount to saying that the Beijing Opera has no future or that there is no hope for the prosperity of Beijing Opera. Comrades on the cultural front, especially those in Beijing Opera circles, should have a correct attitude toward current difficulties. They should see both problems and achievements. They should see both challenges and opportunities, develop a clear understanding of the situation, seize opportunities, heighten their spirit, advance by taking advantage of circumstances, unite as one, and work diligently so that the art of Beijing Opera will prosper and develop in the new situation.

Li Ruihuan discussed some ways of revitalizing Beijing Opera. He suggested: To revitalize Beijing Opera, we must inherit the traditional fine arts of the opera. In the current circumstances, it is especially important and urgent to concentrate our efforts on inheriting these fine arts. Essential to inheriting these traditional arts are increased efforts to preserve artistic styles and meticulous skills of veteran Beijing Opera actors and actresses, ensuring that their artistic skills and exclusive performing styles will be passed on to younger actors and

actresses. Currently, middle-aged Beijing Opera actors and actresses are the backbone of the performance art; most of them are quite artistically accomplished. They should play a more important role in promoting the art. To ensure that Beijing Opera art is properly inherited we should also make great efforts to cultivate young actors and actresses, who may be more easily trained to play various roles and have longer artistic lives ahead of them. As long as young actors and actresses are properly trained, the fine art of the Beijing Opera can be passed on to future generations. In short, we should make efforts to cultivate young actors and actresses, let middle-aged actors and actresses have more opportunities to display their talents, and enable older actors and actresses to play a greater role in promoting Beijing Opera art. These are basic guidelines for revitalizing the Beijing Opera.

Li Ruihuan said: As time and viewers' artistic tastes change, Beijing Opera art, including its forms and contents, needs to be further improved and developed. We should study, from the viewpoint that literature and art should serve the people and socialism and according to the policy of letting a hundred flowers blossom and a hundred schools of thought contend, the various aspects of new situations and problems facing the Beijing Opera. As long as they will inject new life into the Beijing Opera and contribute to its development, all kinds of viewpoints may be presented for discussion, and all forms of art performance may be explored and experimented with.

Li Ruihuan said: Many new technological developments and artistic forms can be adopted to improve the performance of the Beijing Opera. These new technological developments and artistic forms should be absorbed into the Beijing Opera. Of course, in developing the Beijing Opera, we must ensure that everything goes along with the opera's features and that the opera's traditions are observed. The Beijing Opera is a unique performance art. Efforts to develop the art should be aimed at refining it, not changing it into other kinds of opera. All in all, inheritance and development are two aspects of the problem of revitalizing Beijing Opera. These two aspects are closely linked and complementary and are unified in the process of developing the art. Organically integrating inheritance with development is the only correct way to revitalize the Beijing Opera.

Li Ruihuan said: One salient problem we face today is the ever-decreasing audience for the Beijing Opera. To deal with this problem, we must make great efforts to popularize and improve the opera. By popularizing I mean winning a larger audience for the opera and helping people understand, familiarize themselves with, and love the art. This is urgent work for revitalizing the art. By improving I mean raising the quality of the art's content and performance. There are many reasons for the Beijing Opera's dwindling audience. One important reason is that performances are not up to par, artistic quality is poor, roles are incomplete, and stage style is not serious enough. Compared with past performances,

especially during the 1950's, today's performances lag far behind and are therefore unable to interest the audience. Li Ruihuan held: To popularize and improve the Beijing Opera, the Beijing Opera circle itself should work hard, and various sectors of society should make positive contributions. Propaganda departments and the public media should regard publicizing the Beijing Opera as an important task of promoting a fine national culture. Culture departments at all levels should let the masses know more about the history, accomplishments, and artistic worth of the Beijing Opera; provide more opportunity for Beijing Opera actors and actresses to perform and refine their skills; and create more opportunities for the public to appreciate the art. Our goals should be to let love of the Beijing Opera and appreciation of the art become a cultural discipline and to let performance of the opera and viewing the performance become an important part of our cultural life.

Li Ruihuan also focused on sorting out old Beijing operatic plays and creating new ones, selecting and training Beijing Opera performers, and adjusting and reforming Beijing Opera theaters and troupes. He said: The list of Beijing operas is long, but only a few plays are currently staged. This is an expression of the poor condition of the Beijing Opera as well as the reason for this condition. One of the important tasks is organizing a work force as soon as possible to rescue those valuable traditional plays that have remained buried for years. In dealing with the traditional staging of Beijing operas, including those often staged and old plays recently dug out, we should further sort and refine them according to the principle of selecting the essential and discarding the dross. Sorting out old plays is a very complicated and meticulous task. This is not only because it requires relatively high ideological levels, knowledge, and ability to correctly distinguish between the essential and the dross and truly achieve the goal of wading through the old to bring forth the new, but also because the task has something to do with the special performing skills of the Beijing Opera and the way the broad masses enjoy the Beijing Opera. Hence, it requires both boldness and extreme caution. Changes should be appropriate and natural and should add luster. We should try to achieve succinctness, grace, and smoothness, so that the plays will be agreeable to laymen and acceptable to experts. It is hoped that more people on the cultural front will cooperate closely with Beijing Opera performers, making joint efforts to raise to a new level the work of digging out, sorting, and refining traditional Beijing operas.

He said: To further enrich the Beijing Opera and make it more prosperous, positive efforts should be made to create new plays. Since the original artistic performances of the Beijing Opera are suitable for depicting historical events and the life of ancient people, there is much room for creating new historical plays. In addition, adaptation and rewriting are quick ways of enriching the Beijing opera repertoire. Meanwhile, more attention and support should be given to the creation of Beijing operas with contemporary themes. Literary and art workers

should be encouraged to explore, create, and practice. With the development of the times and through the unremitting efforts of Beijing Opera workers, new achievements will continue to be made in this regard.

Li Ruihuan pointed out: The stage art of Beijing Opera centers on leading performers. The Beijing Opera's history proves that the rise and fall of the Beijing Opera is closely related to the number of outstanding leading performers that have emerged and the extent of their achievements. In vitalizing the Beijing Opera, we must give prominence to selecting and training outstanding Beijing Opera performers, in particular young Beijing Opera performers.

Li Ruihuan said: The Beijing Opera is characterized by very high artistic taste. A performer must have a variety of qualifications to become a good performer. One, he or she must have the patience to undergo long, painstaking learning and training. Two, he or she must be guided by an excellent and open-minded teacher. Three, he or she must have opportunities to perform and practice. For the maturing of young Beijing Opera performers, it is necessary to integrate efforts for learning and improvement with practical performances as early as possible under the premise of doing well in basic training. Four, the maturing of young Beijing Opera performers needs a favorable environment. The key to successful selection and training of Beijing Opera performers is to earnestly sum up experiences in running opera schools and training young Beijing Opera performers and to strengthen and improve education in the art of Beijing Opera. From the enrollment of new students, the establishment of the curriculum, teaching methods, and ideological and political work, to logistic management, every task should comply with the principle of the art of Beijing Opera, the principle of education in this regard, and the principle of maturing of Beijing Opera performers.

In his speech, Li Ruihuan proposed the guiding ideology for readjusting and restructuring Beijing Opera theaters and troupes. He said: First, we should restructure Beijing Opera troupes in all localities. We should decide on the numbers and sizes of theaters and troupes in a locality according to qualified personnel available and local audiences' needs. Second, we should reduce the number of people working for Beijing Opera theaters and troupes. We should transfer those who are unsuitable for stage performance or other theatrical work to posts where they can make use of their skills and specialties. In carrying out this work, we must take the actual situation into consideration, do things carefully, step by step, and must not try to finish everything in a single stroke. Labor and personnel departments and other departments concerned should support this work. Third, we should improve management of Beijing Opera theaters and troupes. In giving fixed financial subsidies to opera troupes, a business management responsibility system should gradually be established in opera troupes. In addition, we should strengthen opera troupes' internal

management, refine various systems, enhance discipline, plug loopholes, prohibit excessive spending, and make every effort to use limited financial resources in developing the Beijing Opera. Fourth, we should improve current distribution regulations. Distributions within opera troupes should be improved so that individual incomes are linked to work results. Unreasonable distribution of income among actors, actresses, and staff members should be corrected.

In conclusion, Li Ruihuan said: The 1990's is a very crucial period for China's socialist modernization efforts. Beijing Opera art also will enter a crucial development stage. Let us rouse ourselves, act in unison, and successfully develop Beijing Opera art with creative and effective work.

CPPCC Member Liao Mosha Dies 27 Dec

OW3012112590 Beijing XINHUA in English
1104 GMT 30 Dec 90

[Text] Beijing, December 30 (XINHUA)—Liao Mosha, a member of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC) and vice-chairman of the Sixth Beijing Municipal Committee of the CPPCC, died of illness at 19:30 on December 27, at the age of 84.

Foreign Experts Promote China's Modernization

OW0101031191 Beijing XINHUA in English
0251 GMT 1 Jan 91

[Text] Beijing, January 1 (XINHUA)—A total of 140,000 foreign experts have been invited to work in China during the Seventh Five-Year Plan period (1986-1990) and they have helped promote China's modernization construction, according to the overseas edition of today's "PEOPLE'S DAILY".

Statistics showed that in the past five years, China invited 8,300 foreign technical experts and management personnel, 111,000 foreign economists, and 22,000 other scholars to work in the country.

During the 1986-1990 period, foreign experts helped the country train 150,000 teachers, 110,000 postgraduates, 420,000 undergraduates and 100,000 technical and management personnel. They also helped the country set up a group of new specialties, new courses and new laboratories.

With the help of foreign experts, a group of key construction projects on the five-year plan were completed and put into production.

Education of Minorities Developing Rapidly

OW0401030591 Beijing XINHUA in English
0159 GMT 4 Jan 91

[Text] Beijing, January 4 (XINHUA)—The education of minorities has developed rapidly since the implementation of reform and opening to the outside world ten years ago.

In 1990, the numbers of students from the country's 55 minority nationalities increased dramatically in the following areas: 130,000 undergraduates, a 24.8 percent increase over 1978; 3.14 million middle school students, a 42.2 percent increase; and 10.52 million primary school students, a 27.9 percent increase.

In an effort to advance the education of minorities, a number of organizations in charge of the editing and translating minority languages and written teaching materials, have been established in Xinjiang, Guangxi and other autonomous regions and provinces. In addition, over 1,800 editions of teaching materials for middle and primary school students, written in 29 minority languages, have been published throughout the country.

Currently, the country has 120,000 minority primary schools, 11,000 minority middle schools, 189 normal schools and 35 teachers' universities, as well as 12 nationalities institutes, and 107 regional colleges and universities.

Along with the rapid development in their education, the minority nationalities also have increasing numbers of postgraduates, doctors and returned students.

Law on Protection of Handicapped Cited

OW0301060191 Beijing XINHUA Domestic Service
in Chinese 0350 GMT 29 Dec 90

[Text] Beijing, 29 Dec (XINHUA)—The PRC Law for the Protection of Handicapped People—adopted by the 17th Session of the Seventh National People's Congress Standing Committee on 28 December 1990:

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- Chapter One General Principles
- Chapter Two Rehabilitation
- Chapter Three Education
- Chapter Four Employment
- Chapter Five Cultural Life
- Chapter Six Welfare Services
- Chapter Seven Environment
- Chapter Eight Legal Responsibilities
- Chapter Nine Supplementary Provisions

Chapter One General Principles

Article 1. This law is drawn up on the basis of the Constitution for protecting the legitimate rights and interests of handicapped people, developing service for handicapped people, and safeguarding their full participation in social life on an equal footing so that they can share our society's material and cultural achievements.

Article 2. Handicapped people refer to people whose psychological, physiological, or physically constitution or functions are lost or are not normal and who are completely or partially unable to engage in certain activities in a normal manner.

Handicapped people include those handicapped in sight, hearing, speaking, or working with limbs; those intellectually or mentally handicapped; those handicapped in

many ways; or those with other deformities. The State Council shall set the criteria for what constitutes a handicap.

Article 3. Handicapped people enjoy equal political, economic, and social rights, as well as the right to family life, the same as other citizens.

Handicapped people's citizen rights and personal dignity are protected by law.

Handicapped people shall not be discriminated against, humiliated, or have their rights infringed upon.

Article 4. The state shall take supportive measures to give handicapped people special assistance to alleviate or eliminate the effects of their handicaps and external obstacles and protect their rights.

Article 5. The state and society shall give special protection, preferential treatment, and support to wounded and handicapped servicemen, personnel who become handicapped in performing public duties, and other people who become handicapped by protecting the interests of the state and the people.

Article 6. People's governments at all levels shall include services for handicapped people in their national economic and social development plans, incorporate projected expenses into their budgets, make overall plans, intensify leadership, make overall coordination, and take measures so that services for handicapped people can develop in coordination with economic and social development.

The State Council and people's governments of provinces, autonomous regions, and municipalities directly under the central government shall take organizational measures to coordinate relevant departments to provide services for handicapped people. These organs shall be specified by the State Council and people's governments in provinces, autonomous regions, and municipalities directly under the central government.

People's governments at all levels and relevant departments shall maintain close contacts with handicapped people, listen to their views, and, on the basis of their respective responsibilities, provide them with proper assistance.

Article 7. People in society as a whole shall display the socialist humanitarian spirit; understand, respect, care for, and assist handicapped people; and support those services needed by handicapped people.

Government organs, mass organizations, enterprises, institutions, and grass-roots urban and rural organizations shall provide proper services to handicapped people.

State workers and other personnel serving handicapped people shall fulfill their honorable responsibilities and work hard to serve handicapped people.

Article 8. The China Federation of Associations of Handicapped People and other local organizations represent the common interests of handicapped people, protect their legitimate rights and interests, unite and educate them, and serve them.

The federation undertakes assignments the government entrusts to it; it carries out services for handicapped people and mobilizes social support for services needed by handicapped people.

Article 9. Handicapped people's legal supporters shall fulfill their obligations in taking care of handicapped people.

Handicapped people's guardians shall fulfill their guardian responsibility and protect the legitimate rights and interests of the recipients of their guardianship.

Handicapped people's families and guardians shall encourage and help handicapped people develop the capacity for self-reliance.

The torture or desertion of handicapped people is forbidden.

Article 10. Handicapped people shall abide by laws, fulfill their obligations, follow public order, and respect the public code of ethics.

Handicapped people should be optimistic, respect themselves, have confidence in themselves, improve themselves, rely on themselves, and contribute to socialist construction.

Article 11. The state shall, in a planned manner, carry out programs to prevent things which cause handicaps; intensify leadership over the preventive programs; and propagate knowledge about raising healthy babies and preventing deformities. Focusing on heredity, disease, food poisoning, accidents, disasters, environmental pollution, and deformity-causing factors, it shall draw up laws and regulations and organize and mobilize the public to take measures to prevent deformities from occurring and developing.

Article 12. The government and relevant departments shall award handicapped people who have made outstanding contributions to socialist construction and units and individuals who have made outstanding contributions to safeguarding handicapped people's legitimate rights and interests, developing services for handicapped people, and serving handicapped people.

Chapter Two Rehabilitation

Article 13. The state and society shall take rehabilitative measures to help handicapped people recover or compensate for their dysfunctions so that they can be more capable of leading their life in society.

Article 14. Rehabilitation programs shall consider practical needs; modern rehabilitation techniques shall be applied along with traditional techniques. Rehabilitation institutes shall serve as the mainstay organs, community

rehabilitation centers shall serve as the foundation, and handicapped people's families shall provide the support. Giving priority to rehabilitation measures which are practical, easy to apply, and broadly beneficial, they shall carry out research, development, and application of new rehabilitation techniques and provide handicapped people with effective rehabilitation services.

Article 15. Government and relevant departments shall, in a planned manner, set up rehabilitation medical branches (or centers) in hospitals, sponsor the necessary special rehabilitation institution, and provide rehabilitation therapy, research, personnel training, and technical guidance.

People's governments at all levels and relevant departments shall organize urban and rural community service centers, medical and health centers, handicapped people's organizations and families, and other social organizations, and guide them in providing community rehabilitation services.

Educational institutions for handicapped people, welfare establishments, and other handicapped service organs shall furnish the means that can facilitate rehabilitation training.

Under the guidance and assistance of professionals, volunteers, family members, and other relevant personnel, handicapped people shall make efforts to undergo training that will rehabilitate their functions, improve their ability of caring for themselves, and develop their work skills.

The State Council and relevant departments shall determine priority rehabilitation projects at various stages, draw up plans, and organize people to implement them.

Article 16. Medical colleges and other relevant colleges shall, in a planned manner, set up rehabilitation curricula, sponsor special rehabilitation courses, and train all types of rehabilitation specialists.

The state and society shall take all forms of measures to give rehabilitation workers technical training and teach handicapped people, their families, relevant working personnel, and volunteers about rehabilitation and recovery methods.

Article 17. Relevant government departments shall organize and support the development, production, supply, and maintenance of rehabilitation equipment, living tools, special utensils, and other supporting equipment needed by handicapped people.

Chapter Three Education

Article 18. The state protects handicapped people's right to education.

People's governments at all levels shall consider handicapped people's education part of the state's educational cause, make overall plans, and intensify their leadership over it.

The state, society, schools, and families shall provide handicapped children and juveniles with compulsory education.

The state shall provide free scholarships to handicapped students receiving compulsory education and shall reduce or exempt their miscellaneous fees according to their actual situations. The state shall set up grants-in-aid to assist poverty-stricken handicapped people.

Article 19. In accordance with handicapped people's physical and psychological conditions and needs, education for handicapped people shall be carried out in the following manner:

(1) Emphasizing handicapped people's physical and psychological compensation and vocational and technical education while giving them ideological and intellectual education;

(2) Educating them in ordinary or special ways according to their handicap and capabilities; and

(3) For students receiving special education, the curricula, teaching materials, teaching methods, enrollment, and ages of students can be appropriately more flexible.

Article 20. The principle governing handicapped people's education shall be one which integrates universality and proficiency enhancement, with priority given to universality. It underscores compulsory education and vocational and technical education, active development of preschool education, and gradual development of secondary and higher education.

Article 21. The state shall sponsor institutions for handicapped people's education, and encourage the public to sponsor educational programs and contribute money to finance educational programs.

Article 22. Ordinary educational institutions shall educate handicapped people who are able to receive an ordinary education.

Ordinary primary schools and junior middle schools shall enroll handicapped children and juveniles who can cope with the curricula. Ordinary senior high schools, secondary vocational schools, technical schools, and colleges shall enroll handicapped students who measure up to the state's enrollment standards and shall not reject them because they are handicapped. If they do reject them, the parties concerned, their families, or their guardians may request relevant authorities to handle their cases; relevant authorities shall order the schools to enroll the students.

Ordinary kindergartens shall accept handicapped children who can adapt.

Article 23. Educational institutions for handicapped children, handicapped children's classes affiliated to ordinary kindergartens, preschool classes in special education schools, handicapped children's welfare centers,

and handicapped children's families shall provide handicapped children with preschool education.

Special education schools at and below the junior high school level and special education classes affiliated to ordinary schools provide compulsory education for handicapped children and juveniles who are unable to receive ordinary education.

Special education schools at and above senior high school level, special education classes affiliated to ordinary schools, and institutions providing vocational and technical education to handicapped people shall provide handicapped people with senior high school education, college education, or vocational and technical education.

Article 24. Relevant government departments, units where handicapped people work, and society shall wipe out illiteracy among handicapped people, provide them with job training and other adult educational training, and encourage them to become proficient personnel through self-study.

Article 25. In a planned manner, the state shall train special education teachers by sponsoring all types of schools and special programs, and setting up special education classes (departments) at ordinary teacher-training schools and colleges. Ordinary teacher-training schools and colleges shall sponsor special education courses or lectures to help teachers of ordinary education master the necessary knowledge about special education.

Article 26. Relevant government departments shall sponsor and support the research and use of Braille and sign language; the compilation and publication of special teaching materials; and the development, production, and supply of special teaching equipment and other teaching supplements.

Chapter Four Employment

Article 27. The state protects handicapped people's right to work.

People's governments at all levels shall make overall plans for handicapped people's employment and create job opportunities for handicapped people.

Article 28. The principle governing handicapped people's employment shall be one which combines centralization and decentralization. Preferential measures and supportive and protective measures shall be adopted. All avenues and all forms of opportunities at all levels shall be explored to gradually popularize, stabilize, and rationalize handicapped people's employment.

Article 29. The state and society shall set up handicapped people's welfare institutions, workers' sanatoriums, massage treatment centers, and other welfare institutions to provide jobs for handicapped people.

Article 30. The state shall encourage all units to recruit handicapped workers, and people's governments at all levels and relevant departments shall provide them with proper organization and guidance. Government organs,

mass organizations, enterprises, institutions, and collective urban and rural economies shall set aside a number of jobs for handicapped people, and give them jobs of which they are capable. Governments of provinces, autonomous regions, and municipalities directly under the central government may set a specific percentage according to their actual situations.

Article 31. Relevant government departments shall encourage and assist handicapped people to open their own businesses collectively or individually on a voluntary basis.

Article 32. Local people's governments at all levels and grass-roots rural organizations shall organize and assist handicapped people in rural areas to engage in farming, breeding, producing handicraft, and various other forms of productive labor.

Article 33. For enterprises and other establishments providing welfare services to handicapped people, and independent handicapped workers in urban and rural areas, the state shall reduce or exempt their taxes and shall support them in terms of production, operation, technical skills, capital, material supply, and work areas.

Local people's governments and relevant departments shall determine the types of products which handicapped people can produce and assign handicapped people's welfare enterprises to produce these products on a priority basis, gradually designating these enterprises to monopolize the production of certain products.

When they hand down quotas for recruiting and hiring workers, relevant government departments shall set aside a certain quota for handicapped people.

For handicapped people who apply for licenses for independent businesses, relevant departments shall issue them with operating licenses on a priority basis and give them preferential treatment in terms of work sites and credit.

For handicapped people in rural areas engaging in all forms of productive labor, relevant departments shall assist them in production services, technical guidance, supply of materials for agricultural production, procurement of agricultural and sideline products, and loans.

Article 34. The state protects the property ownership and operational autonomy of handicapped people's welfare enterprises and establishments. Their legitimate rights and interests shall not be violated.

Handicapped people shall not be discriminated against during recruitment and hiring of workers, and in areas concerning permanent placement, promotion, job title appraisal, pay, welfare, and insurance.

Relevant units shall not reject state-assigned handicapped people graduating from colleges, secondary vocational schools, and technical schools because they are handicapped. For those units which reject them, the

parties concerned may request the relevant authorities to handle their cases; relevant authorities shall order the units to accept them.

Units where handicapped workers work shall provide the working conditions and protection which handicapped people need.

Article 35. The units where handicapped people work shall provide handicapped workers on-the-job training in order to improve their work skills and technical proficiency.

Chapter Five Cultural Life

Article 36. The state and society shall encourage and assist the handicapped to participate in all kinds of cultural, sports, and entertainment activities, and work to meet their spiritual and cultural needs.

Article 37. The cultural, sports, and entertainment activities of the handicapped ought to be directed at the grass roots, assimilated with public cultural life, and adapted to the different features and needs of various handicapped people in order that they may take part in them extensively.

Article 38. The state and society shall take the following steps to enrich the spiritual and cultural life of the handicapped:

- (1) To reflect the life of the handicapped and serve them through the medium of broadcast, movies, television, periodicals, and book;
- (2) To organize and support the writing and publication of brailled and audio materials for the blind and reading materials for the deaf and mentally retarded, to introduce television programs using sign language, and to add subtitles and explanations onto some movie and television films;
- (3) To organize and support the handicapped to conduct cultural, sports, and entertainment activities on a mass scale, to hold special art performances and special sports meets, and to participate in major international competitions and exchanges;
- (4) Cultural, sports, entertainment, and other venues of public activities shall provide convenience and due consideration to the handicapped. Venues for activities of the handicapped shall be set up in a planned manner.

Article 39. The state and society shall encourage and assist the handicapped to engage in literary, artistic, educational, scientific, technical, and other creative work that benefits the people.

Chapter Six Welfare Services

Article 40. The state and society shall offer assistance, relief, and other welfare services to protect and improve the livelihood of the handicapped.

Article 41. The state and society shall provide relief and allowance through a variety of channels to handicapped people who truly have difficulties in their livelihood.

The state and society shall support and provide relief, as prescribed, to handicapped people who are unable to work, who have no statutory supporter, or who have no means of supporting themselves.

Article 42. Units, urban, and rural grass-roots organizations, and families of handicapped people ought to encourage and help them sign up for social security.

Article 43. Local people's governments at all levels and society shall set up welfare centers and homes, as prescribed, to settle and take in the handicapped in order to gradually improve their livelihood.

Article 44. Public service organizations ought to give priority and subsidized services to the handicapped.

Convenience and consideration ought to be given to handicapped people when they take public transportation, and their personal items necessary for their movement are permitted to be carried along free of charge.

The blind may ride public buses, trams, subways, and ferries in the city without charge, and their reading materials and mail may be sent without charge.

People's governments at county and township levels ought to reduce the amount of voluntary labor of rural handicapped people or exempt them from it according to their specific circumstances.

People's governments at all levels ought to gradually increase other forms of care and support for the handicapped.

Chapter Seven The Environment

Article 45. The state and society shall gradually create a favorable environment to improve the conditions for the handicapped to participate in social activities.

Article 46. The state and society shall gradually introduce designs and standards for roads and buildings in the cities for the convenience of handicapped people, and take actions to remove obstacles.

Article 47. The state and society shall promote mutual understanding and exchanges between the handicapped and the rest of the citizens.

Article 48. The national Help-the-Handicapped Day shall be observed on the third Sunday of May each year.

Chapter Eight Legal Liabilities

Article 49. When the legal rights and interests of handicapped people are being infringed upon, the victim or his attorney has the right to request the competent departments concerned to deal with the matter, or, in accordance with the law, file legal proceedings in a people's court.

Article 50. State employees who break the law or neglect their duties and violate the legal rights and interests of handicapped people shall be ordered to redress the situation by their units or higher authorities, or given disciplinary sanctions.

Article 51. A person who violates the legal rights and interests of handicapped people and causes loss to their properties or other losses and damage ought to, according to law, pay compensation or assume any other civil liabilities.

Article 52. A person who takes advantage of the impairment of handicapped people to violate their personal rights or other legal rights, and commits a crime as a result of this action shall be severely punished according to the relevant provisions of the criminal code.

A person who openly humiliates the handicapped by using force or other methods shall be charged, if the case is serious, under Article 145 of the Criminal Code; or, if the case is minor, punished under Article 22 of the Public Security Administration and Punishment Regulations.

A person who mistreats the handicapped shall be punished under Article 22 of the Public Security Administration and Punishment Regulations; or charged under Article 182 of the Criminal Code if the case is serious.

An individual who is obligated to support a handicapped person who cannot live on his own, and refuses to do so, or who abandons a handicapped person who cannot live on his own shall be charged under Article 183 of the Criminal Code if the case is serious.

An individual who violates a mentally retarded person or a mentally handicapped person who cannot understand what she is doing shall be charged with rape under Article 139 of the Criminal Code.

Chapter Nine Supplementary Provisions

Article 53. Departments of the State Council concerned shall draw up the relevant regulations based on this law, and submit them to the State Council for approval and implementation.

The Standing Committees of provincial, autonomous regional, and municipal people's congresses may draft implementation measures based on this law.

Article 54. This law shall come into force on 15 May 1991. Appendices:

The relevant articles in the Criminal Code.

Article 139. A person who rapes a woman through the use of force, threats, or other methods shall be sentenced to imprisonment from a minimum of three years to a maximum of ten years.

Anyone who violates a girl under 14 years of age shall be charged with rape and severely punished.

A person who commits the offences mentioned in the two preceding clauses shall be sentenced to more than 10

years' imprisonment, life imprisonment, or death if the case is extremely grave, or has caused serious injury or death.

Article 145. A person who openly humiliates others by using force or other methods, including the use of "big character poster" or "small character poster," or distorts facts to slander others shall be sentenced to a maximum of three years imprisonment or detention, or deprived of their political rights.

Offences mentioned in the preceding clause will only be dealt with if charged in court. Cases that seriously endanger public order and state interests, however, are excluded.

Article 182. A person who mistreats family members shall be sentenced to a maximum of two years' imprisonment or detention, or placed under surveillance.

Offences mentioned in the preceding clause shall be sentenced to imprisonment from a minimum of two years to a maximum of seven years if they have resulted in serious injury or death.

The offence in the first clause will be dealt with if charged in court.

Article 183. An individual who is obligated but refuses to support an old, young, or sick person, or a person who cannot live on his own shall be sentenced, if the case is serious, to a maximum of five years imprisonment or detention, or placed under surveillance.

The relevant articles in the Public Security Administration and Punishment Regulations.

Article 22. Any conduct of violating the personal rights of others listed below, if they do not constitute a criminal act, shall be punished with a maximum of 15 days detention or a maximum fine of 200 yuan, or issued with a warning:

[no points one and two as received]

(3) Anyone who openly humiliates or distorts facts to slander others;

(4) Anyone who mistreats family members, and the victim seeks recourse.

Commentator on Legislating Law for Handicapped

HK0301095591 Beijing RENMIN RIBAO in Chinese
29 Dec 90 p 1

[Commentator's article: "Legislation for the Handicapped Is a Matter of Great Importance"]

[Text] Handicapped people should enjoy the deep love of their families as well as the concern, protection, and respect of society. Cherishing love for the handicapped requires morality and the power of law, particularly the latter. The "PRC Law on Protecting the Handicapped" (which will come into effect on 15 May next year) examined and approved by the 17th Session of the

Seventh National People's Congress Standing Committee marks the legalization of China's undertakings concerning the handicapped. This is a major event in the Chinese people's social life.

There are over 50 million handicapped people in China. They constitute a difficult and special group in social life. Since the founding of New China, particularly since the Third Plenary Session of the 11th CPC Central Committee, China's undertakings concerning the handicapped have developed rapidly under party and government care with the help and support of the entire society. Marked improvements have been made in the living conditions of the handicapped. This is the main aspect, but sometimes handicapped people's rights are neglected and violated, and some of them are even deprived of their rights. Undertakings concerning the handicapped are falling behind social and economic development. The Chinese Constitution and law as well as the experience in running undertakings for the handicapped urgently necessitated the formulation of a special law on the handicapped. The emergence of the law on protecting the handicapped, a law with Chinese characteristics, fully demonstrates the superiority of the socialist system. This is also a practical step taken by China to safeguard human rights and respond to the UN "Worldwide Action Program on the Handicapped."

Undertakings on the handicapped constitute a part of socialist undertakings. Handicapped people are also the creators of material and spiritual civilizations. In line with the principle of "equality and participation" and in the form of state law, the law on protecting the handicapped provides that handicapped people enjoy equal rights with others, and protects these rights from being violated. It also stipulates that the state will use supplementary methods to support and develop undertakings concerning the handicapped and to encourage the handicapped to take part in social life equally and fully and enjoy social, material, and cultural achievements. It is an unshirkable duty of all-level governments to develop undertakings concerning the handicapped and implement in an all-around way the law on the handicapped. All-level governments and their relevant departments should enter undertakings concerning the handicapped in their economic and social development programs, list the funding for these undertakings in their financial budgets, strengthen leadership, make overall arrangements, carry out comprehensive coordination, and take measures to ensure coordinated development between these undertakings, the economy, and society.

Different nationalities in China have the tradition and morality of helping each other, supporting each other, and assisting the handicapped. The implementation of this law will help strengthen the people's legal concept, carry forward socialist humanitarianism, and enable the entire society to understand, respect, care for, and help the handicapped. Institutions, groups, enterprises, and grass-roots organizations should display their different functions, fulfill the work concerning the handicapped,

and rely on the entire society in helping the handicapped to participate in social life equally and fully.

The law on the handicapped will provide handicapped people with a legal weapon to protect their legitimate rights and interests. This is good news for them. Their participation in social life depends on the help of people in society and is determined by their own efforts. Handicapped people in China keep encouraging themselves with patriotism and optimism. With enterprising spirit, they have performed many good deeds, and many of them have become advanced figures enjoying a good reputation among the masses. We warmly hope that they will develop this spirit and devote their efforts to the motherland's four modernizations with self-respect, self-confidence, self-enhancement, and self-reliance.

To implement the law on the handicapped, newspapers, magazines, radio stations, and television studios should do a good job in propaganda work; legislative and administrative departments should work out corresponding rules and regulations; and judicial organs should make preparations for its implementation. This law must be strictly followed and breaches of this law must be seriously dealt with. In this way its implementation can be ascertained.

The law on protecting the handicapped has set strict demands on the organizations for the handicapped. The China Federation for the Handicapped and its local organizations have overcome lots of difficulties and done a great deal of meticulous and arduous work over the last few years. We hope that these organizations will further improve themselves, conscientiously perform the duties entrusted by this law, act on behalf of the common interest of the handicapped, protect their legitimate rights and interests, wholeheartedly serve them, play the role of a bridge in forming ties between the government and the handicapped, and help develop undertakings concerning the handicapped.

Undertakings concerning the handicapped are ones concerning civilization and progress. Let us advance in line with the legal system, develop undertakings concerning the handicapped, seriously protect their legitimate rights and interests, and make new contributions to social progress and human civilization.

Literature, Art Federation Holds Work Meeting

HK0301020491 Beijing RENMIN RIBAO in Chinese
28 Dec 90 p 3

[Report by staff reporter Xu Huanqian (1776 2037 6197): "The All-China Federation of Literature and Art Circles Holds Work Meeting"]

[Text] Beijing, 27 Dec (RENMIN RIBAO)—The work meeting of the All-China Federation of Literature and Art Circles, attended by more than 80 responsible comrades of the federation, various national associations of writers and artists, and local federations of literature and

art circles in the 29 provinces, municipalities, and autonomous regions, concluded on 25 December. The delegates reached a consensus of opinion on playing a better role as the party's assistant and promoting the prosperity of the socialist literature and art in our country.

The meeting listened to the report by Meng Weizai, secretary general of the federation, on the its work in the past year. Comrades attending the meeting also put forward many useful opinions, proposals, and hopes on improving the work of the federation. They unanimously agreed that as a socialist professional organization of the people under the party's leadership, the All-China Federation of Literature and Art Circles must strengthen and improve the party's leadership over the federation and various affiliated associations, and the role of the party leading groups as a leadership core in these organizations must be brought into play. They stressed that an important task and objective at present is to distinguish truth from falsehood in theory and clear up the confusion caused by bourgeois liberalization, thus establishing Marxism-Leninism-Mao Zedong Thought's guiding position in the domain of literature and art.

He Jingzhi, deputy director of the CPC central Propaganda Department, attended the meeting and gave a speech. He said: In the past year, positive results have been achieved in the antibourgeois liberalization education and struggle in the literature and art circles, but the results should not be overestimated. This work should be carried on persistently and deeply for a long time. He said: At present, a change for the better and a tendency for increasing prosperity have appeared in literature and art, but there are still not many works reflecting the main melody of the times. Rectification and reform in the institutions of literature and art should be carried out simultaneously. It is necessary to try by every possible means to promote the prosperity of creation. Lin Mohan, party leading group secretary in the All-China Federation of Literature and Art Circles, also gave a speech at the meeting.

ZHONGHUA YINGCAI Begins Publication

OW0101180691 Beijing XINHUA Domestic Service
in Chinese 0856 GMT 1 Jan 90

[Text] Beijing, 1 Jan (XINHUA)—The first biweekly issue of the large-sized illustrated journal "ZHONGHUA YINGCAI" [CHINESE OF OUTSTANDING ABILITY] was published today. The journal was originally published bimonthly.

Deng Yingchao and Nie Rongzhen each contributed an article. Deng Yingchao's article is entitled "Respecting Knowledge and Talent Is Our Party's Glorious Tradition," and Nie Rongzhen's article is entitled "An Important Agenda of the Construction of Spiritual Civilization."

In her article, Deng Yingchao urged leading departments at all levels and all sectors of society to actively support

publicity for our outstanding figures and to carry forward and hand down our party's glorious tradition of respecting knowledge and talent from generation to generation.

In his article, Nie Rongzhen said that only when the whole society truly creates an environment for people to respect knowledge and talents can our society advance and develop. He urged all sectors of society to show concern for and support the work of "ZHONGHUA YINGCAI."

"ZHONGHUA YINGCAI" is a large-sized general news journal focusing on publicizing and introducing outstanding personnel. The first issue of the biweekly also carries: "Premier Li Peng and His Father"; "An Interview with Xiao Ke, Member of the Standing Committee of the Central Advisory Commission"; "Recent Profile of Vice Chairman Zhou Gucheng"; and "An Interview with Vice Chairman Yan Jici."

The journal, noted for both its articles and pictures, has a dozen or so sections. In addition to "Special Arrangement" and "Special Articles," it also includes "Profiles of Famous Personages," "Devoted Overseas Chinese," "Profiles of Generals," "Silver World," and "Special Reports."

'Pen Talk' Discusses Study of Mao Zedong Thought

HK2912033790 Beijing RENMIN RIBAO in Chinese
26 Dec 90 p 5

["Pen Talk" under the heading "Only Socialism Can Develop China" by Professor Zhuang Fuling (8369 4395 7881) of the Chinese People's University: "Conscientiously Study the Development History of Mao Zedong Thought"]

[Text] Looking back on the 10 years since the Third Plenary Session of the 11th CPC Central Committee, one sees that Mao Zedong Thought has always been the object to be first attacked by bourgeois liberalization ideas. Since the Theoretical Forum in 1979, in bringing order out of chaos and setting things straight which have been thrown into disorder, in building the socialist spiritual civilization, in carrying out comprehensive reform, in eliminating spiritual pollution, and in quelling last year's political turmoil, these ideas revived at one time and subsided at another. They have wantonly distorted and maliciously attacked Mao Zedong Thought and Mao Zedong himself whether through theory and practice, thought and works, work style and personal character, or methodology and world view. This is no accident at all. They oppose and negate Marxist inevitable logic in China and do not acknowledge the successful experience that Marxism must be integrated with China's practice. They radically negate the socialist—a great achievement in China's revolution and construction over the past 70 years. However, Mao Zedong Thought is the guiding thought for us to carry out socialist construction. Whenever we encounter difficulties and hardships and ambiguity and confusion on our way ahead, we have always been able to find help and

weapons in Mao Zedong Thought. It is the analytical method of materialist dialectics, which was consistently upheld by Mao Zedong, that has guided us in correctly bringing order out of chaos and setting things straight which have been thrown into disorder, and in summing up historical experience. It is the emphasis on ideological and political work, which was consistently stressed by Mao Zedong, that has helped us to eliminate the confusion over the "weakening" of the above areas and to remain firmly in the socialist ideological strongholds. It is the stress on spiritual civilization as an ideological weapon, which was consistently advocated by Mao Zedong, that we have used to counterattack individualism, egoism, and money worship and to once again propagate the spirit of Lei Feng and Bethune. It is Mao Zedong's strategic view on preventing peaceful evolution that has doubled our soberness, safeguarded the socialist republic in an environment in which changes are taking place at home and abroad, reached a good situation in which politics, economy, and society are stable. In brief, it is Mao Zedong Thought that has repetitively guided us in further developing China's socialist cause under complicated and changing conditions.

With the above basic understanding as the basis, our work over the past 10 years has been, as summarized by Comrade Deng Xiaoping, to uphold and develop Mao Zedong Thought, revive the correct things Mao Zedong did, accurately and completely study and apply Mao Zedong Thought, and continue to develop Mao Zedong Thought in light of new historical conditions.

In his speech on summarizing historical experience, and correctly evaluating Mao Zedong Thought and Mao Zedong's rights and wrongs, achievements and mistakes, Comrade Deng Xiaoping said: "We should write a history for Mao Zedong Thought and for its formation process." I believe that the reason we still need to study the history of Mao Zedong Thought in upholding and developing Mao Zedong Thought is: First, only by studying the history of Mao Zedong Thought can we really clarify and understand the various historical conditions by which Mao Zedong Thought was formed and developed so that under today's historical conditions we will really know what we should uphold, what we should inherit and continue, and what we should revise, supplement, and develop according to the change of conditions.

Second, only by studying the history of Mao Zedong Thought can we examine its historical functions and significance through objective practice, avoid the mistake of giving full affirmations without analysis, and be able to make truth-seeking scientific analyses so we will place Mao Zedong and his thought in a definite historical scope for comprehensive, scientific, and fair appraisal.

Third, only by studying the history of Mao Zedong Thought can we really understand how it has integrated Marxism and China's actual situation and how it has applied Marxism in light of and proceeding from China's

national situation, and grasp its characteristics and essence and really grasp its spiritual substance.

Fourth, only by studying the history of Mao Zedong Thought will we really come to know that it is a scientific theory established by the collective wisdom of the entire party and people amid the collective struggles of the Chinese people. Only in this way will we know that negating Mao Zedong Thought is to negate the party and people's history of struggles and great creation, and we will be prevented from negating the scientific value of Mao Zedong Thought on the ground of the mistakes he made in his old age.

Commentary Discusses 'New Enlightenment' Slogan

HK0401005091 Beijing WENYI LILUN YU PIPING
in Chinese No 6, 24 Nov 90 pp 4-11, 69

[Article by Ge Ren (2047 0086): "Commentary on 'New Enlightenment'"]

[Text] "New Enlightenment" has been the most deceptive, instigative, and bewildering popular topic and slogan in recent years. An important reason for the ever more intense ideological trends of bourgeois liberalization, which is diametrically opposed to the four cardinal principles, was precisely the fact that the "New Enlightenment's" kernel essences have taken shape. The most demonstrative was the appearance of the journal THE NEW ENLIGHTENMENT, whose nature is official.

The chief editor's postscript in THE NEW ENLIGHTENMENT's first issue reads:

The vitality of theories lie in courage and sincerity, being undaunted before authority, refraining from fawning, and drifting with the current.

He did not say explicitly as to what authority or current. THE NEW ENLIGHTENMENT's articles, however, have dished up the details.

Regarding the initiating of THE NEW ENLIGHTENMENT, the Hong Kong biweekly PAI SHING, in its No. 184 issue (16 Jan 1989), carried an article, entitled, "The New Enlightenment Movement and the Monthly THE NEW ENLIGHTENMENT—the Single Spark on the Eve of the '4 May' Movement 70th Anniversary." As that article disclosed, THE NEW ENLIGHTENMENT made its debut in the wake of the seminar on "Modern New Enlightenment" convoked by some self-claimed "elite" in Shanghai in October 1988. The article says:

The eye catching event was, on the eve of the 4 May Movement's 70th anniversary, the Chinese intellectual circles saw the surfacing of the "New Enlightenment" forum, which demonstrates hopeful new progress in the democratic ideological trends, which have gone through several ups and downs on Mainland China. Many people have seen that the most popular topic in Mainland China in 1989 will be political. Activities marking the 4 May Movement's 70th anniversary will be an opportunity,

with the opening of people's ideology resulted from the 10-year reform being a strong impetus. Confronting the ever deepening crises and turbulences in many aspects, an increasingly greater number of people have come to see that even reform would not go back to the old ways; China can hardly bear such torment. The only way out is to take the road to democracy, which must be genuine and compatible with China's national conditions to go along with the world's current. Whether or not things will change for the better in China in the Year of the Snake depends on the CPC authorities' measures.

Activities marking THE NEW ENLIGHTENMENT's debut began in Beijing immediately after the journal's initial issue appeared. According to an article carried in the 13 January 1989 HONG KONG TIMES, Fang Lizhi delivered a speech at THE NEW ENLIGHTENMENT office's reception marking the publication of its initial issue at Beijing's Dule Bookstore, saying "the intellectuals should not always be asked to transform their mode of thinking, they must take action." The article in question added, "two other outstanding dissidents, Su Shaozhi and Wang Ruoshui, also delivered speeches at the reception."

On 5 February 1989, the Hong Kong EXPRESS carried an article with an editor's note, entitled "Vanguard of Founding the Opposition?" in its "Focus of Topics" column. The editor's note read:

Fang Lizhi and Su Shaozhi have announced the publication of Mainland China's first nongovernment ideological and theoretical journal, THE NEW ENLIGHTENMENT. This has been regarded as a sign of pro-democracy elements' (this author's note: namely the notorious "democratic movement elements") "rise in rebellion."

A paragraph in the article, "Vanguard of Opposing Parties?" read:

When Fang Lizhi rose, a large number of outstanding intellectuals, who have played an exemplary role in ethics, including Wang Ruowang, Wang Ruoshui, and Su Shaozhi, have gradually come out of their condition characterized by each voicing his own opinion, and fighting in isolation; they began to echo and contact each other, and have eventually shaped into a force not to be neglected.

At this point, the Hong Kong TAI KUNG PO joined in the chorus by carrying a special article, entitled, "The Times and the Choice—Welcome the NEW ENLIGHTENMENT Book Series." In a briefing, the article said, *The Times and the Choice* (this author's note: namely, the initial issue of THE NEW ENLIGHTENMENT) in circulation is the first of a book series of THE NEW ENLIGHTENMENT, "the articles included therein are all written by famous personalities of contemporary cultural research," for example, Liu Xiaobo's "Metaphysics and Chinese Culture" and Ruan Ming's "The Times and the Choice," "with marvelous contents." Ruan Ming's article "will enable the readers to acquire

an entirely new theoretical understanding in the developing tendency that should be adopted in present-day Chinese society." It also said the series would present a new book on a monthly basis. The second of the series would be entitled with Li Honglin's article "Crisis and Reform," which would include Wang Ruoshui's "On Human Nature and Social Relations," Jing Guantao's "Confucian Effects on Sinological Marxism," and "Reform's Challenge to Economics" by Wang Xiaoqiang of the State Commission for Restructuring Economy. The third book would be entitled with Gao Ertai's "On the Concept of Alienation," and include Yu Haocheng's "People Should Enjoy the Freedom of Being Exempted from Fear," and Bao Zunxing's "On the Mentality of Contemporary Neo-Confucianism."

Reviewing the aforesaid articles carried in the Hong Kong press, along with the speeches THE NEW ENLIGHTENMENT published, we found that its purport was nothing like what its chief editor said, "to do some work to invigorate the academic atmosphere and push forward theoretical progress," but in conformity with what the Hong Kong EXPRESS said, "The Vanguard of Founding the Opposition," the sign of the "rise of rebellion" of the pro-democracy elements on the mainland, and a "force not to be neglected."

This being the case, we should by no means treat THE NEW ENLIGHTENMENT lightly, but are obliged to deal with it seriously.

1. Opposing Feudalism or Socialism

Some people summed up bourgeois liberalization's external characteristics into the following aspects: First, hoisting the banner of ideological emancipation; second, hoisting the banner of opposing feudalism; third, hoisting the banner of opposing "leftism"; and fourth, hoisting the banner of reform. THE NEW ENLIGHTENMENT possessed all four of those characteristics, although opposing feudalism was its most conspicuous characteristic. It was its banner as well as its program. To oppose feudalism, THE NEW ENLIGHTENMENT proposed "ideological emancipation," opposing "leftism," and "reform" with its own peculiar connotations.

Here, we might as well cite a few examples. For instance, someone in THE NEW ENLIGHTENMENT said: "I have noticed two characteristics of many comrades in discussing opposing feudalism. One is their stress on opposing feudalism's pernicious influences in realistic political life; and the other is their stress on the new tradition characterized by leftist ideological trends in the wake of Marxism's introduction in China. Viewing things from such an angle, opposing feudalism is entirely understandable."

What do "the pernicious influences of feudalism in political life" and "the new tradition characterized by leftist ideological trends" refer to? If they were not demonstrated specifically here, we may refer to the statement of another NEW ENLIGHTENMENT writer:

The enlightenment movement in contemporary China is actually a continuation of the 4 May Movement. The reason is quite simple, because the tasks for opposing feudalism have not been completed yet.... Because of the spread of Marxism and socialism in China, many feudal autocratic things have been regarded as "correct" with new labels. For example, sheer "autocracy" has been labelled "unified leadership"; sheer "centralization of power" has been called "democratic centralism"; (while "democratic centralism" is regarded as a synonym for "democracy"); sheer officialdom lording over the people with special privileges is called "serving the people"...and so forth...(stress added by this author.)

Here, they regard the CPC unified leadership, namely, the core of force leading the Chinese people, and the party's supreme purport, fighting unrelentingly for the Chinese people's interests, and democratic centralism, an inseparable component of party building and the socialist system as things feudal to be opposed. To achieve it, they solemnly vowed in their articles to "thoroughly break away from the yoke of feudal tradition" (quoted from Yuan Ming.)

Is contemporary China a socialist or a feudal autocratic society or a society "based on officialdom"? This a principled issue that must be primarily clarified.

Contemporary China was a socialist country founded on the ruins of imperialism, feudalism, and bureaucratic capitalism that weighed on the Chinese people like three big mountains. Her socialist system has only a 41-year history since her founding. It is still at its initial stage in the long historical river of socialism. Anyway, China is a young socialist country. Because she has some basic characteristics pertaining to a socialist society as follows:

Economically, in ownership, it adheres to public ownership as the main body. The public ownership economy is the socialist system's basic sign; at the same time, it is the major pillar of socialist modernization. Aside from public ownership, the existence and development of the individual economy and private economic sector are permitted at the initial stage of socialism; they are a helpful and necessary supplement to the socialist public ownership economy. In the economic mechanism, China's socialist economy is a planned commodity economy based on public ownership. Generally, the conscious practice of developing the national economy in a planned and proportioned way has embodied the economy's superiority with society as the subject. At the same time, it fully respects and utilizes the law of value and the role of market regulation. In the national income's distribution, its structure finds expression in diversified distribution forms, with distribution according to work as the main body because the public ownership is the main body with the coexistence of diversified economic factors. Such a distribution system has broken away, or basically so, with the tendency of egalitarianism characterized by "eating from the same big pot," to achieve ultimate common prosperity by allowing different people and regions to become well-off

sooner or later through hard work and abiding by the law based on the existing condition and foundation of each.

Politically, China is a state under the working class leadership, one of the people's democratic dictatorship on the basis of a workers-peasants alliance, with the implementation of multiparty cooperation and political consultations system. The CPC leadership has taken shape in long-term revolutionary struggles. The CPC is worthy of the force at the core of leadership. Various democratic parties in China have been friendly to the CPC through their long-term cooperation. Since the PRC's founding, they have all been political parties participating in government, but not out of office. Such a system is capable of fully reflecting the masses' interests and will on the widest scope.—People's democratic dictatorship, or proletarian dictatorship, is the majority's dictatorship over a minority; namely, the implementation and gradual completion and perfection of high-level democracy inside the people, while implementing dictatorship on the resistance of a small number of exploiting classes and hostile forces. Just as Comrade Mao Zedong admonished: "Otherwise, the revolution would fail, and the people would suffer, while the state would perish."—Marxism is the doctrine of party building for a proletarian political party, as well as the theoretical basis for socialist revolution and construction. Mao Zedong Thought, the outcome of the combination of Marxist basic tenets with China's specific realities, is precisely the great accomplishment of adhering to and developing Marxist basic tenets and the offspring of the Chinese people's great wisdom. What accounts for the eye-catching great accomplishments of the Chinese socialist revolution and construction is precisely the theoretical guidance of Marxism and Mao Zedong Thought.

The above are some of the most fundamental characteristics that have shaped China's socialist society (of course there are still others). These characteristics are sufficient to show that we are living in a socialist society. Contemporary China is a great socialist country.

Some articles in *THE NEW ENLIGHTENMENT* have arbitrarily thrown mud at the aforesaid basic characteristics of socialism. China was distorted as a "feudal autocracy" or regarded as a "feudal socialism."

China is a country with a long feudal history. Although it has gone through the New Democratic and socialist revolutions, pernicious feudal influences are far from being totally eliminated. We are still facing the historical tasks of eliminating feudalism's pernicious influences in the ideological and political arenas. It is primarily necessary to draw a demarcation line between socialism and feudal remnants. Just as Comrade Xiaoping pointed out, "by no means should we allow anyone to oppose socialism under the pretext of opposing feudalism." In our cultural heritage, it is imperative to draw a demarcation line between the quintessence of a democratic nature and feudal dross. Besides, it is necessary to draw a demarcation line between some mistakes, and even

great ones in party and government work and decision-making due to the lack of necessary experiences, as well as between the incompleteness and imperfection in some institutions and the pernicious influences of feudalism. In short, we should not refer to everything as being feudal without analysis. Some people of *THE NEW ENLIGHTENMENT* never tired of referring to "the big leap forward" and "the great cultural revolution," which actually caused serious setbacks to China's socialist cause. They were not the inevitable consequences of the socialist system. In truth-seeking analysis, the "big leap forward" and the "great cultural revolution" took place mainly because the party and government had deviated from the law governing the socialist economy ("erroneous estimation of the national conditions") and the incompleteness and imperfection of the socialist democratic system.

Since China was defeated in the 1842 Opium War, with the signing of the "Nanking Treaty," a treaty of national betrayal and humiliation, it had been gradually reduced to a semifeudal, semicolonial society that lasted over a century. Feudalism took on a new characteristic, namely, it was closely knitted with capitalism and a colonial slavish mentality. This being the case, Comrade Deng Xiaoping pointed out, "while eliminating the pernicious influences of feudalism in the ideological and political arenas, by no means should we relax and neglect the repudiation of bourgeois and petty bourgeois ideologies, extreme individualism, and anarchy."

Here an explanation is involved: opposing feudalism should have been the tasks for the capitalist class, but the tasks were not completed because of the Chinese capitalist class' weakness. While leading the Chinese people to struggle against feudalism, the CPC scored great successes politically and economically, but with some failure ideologically. Opposing feudalism ideologically is a long-term task. It is precisely because of the Communist Party's leadership and the socialist system that China was able to genuinely get rid of capitalist oppression, and the Chinese people who won national independence and state sovereignty have genuinely become masters of the country.

2. Fighting for the Civil Rights of the Minority or the Majority of the Chinese People

The fact that bourgeois democracy and freedom (including the so-called absolute freedom without any restrictions in literary and art creation) and the ideas of civil rights (with some of them surfacing in theoretical form) have run rampant over the past 10 years was precisely the direct consequence of some Western powers pursuing the peaceful evolution strategy and implementing ideological infiltration. For example, a book by a senior member of a U.S. think tank propagating communism's great failure, masterminded a scheme and put it bluntly, saying, so long as the magic wand of "civil rights" is raised, communism will land in total failure. He wrote:

The avocation to respect civil rights has a very strong impact with far-reaching significance, for it will hasten communism's decline. Human rights is the most attractive political concept today. The West's loud appeal to show respect to civil rights has cornered all communist countries in a defensive posture.... In addition, he said:

Taking an active part in propagating respect for civil rights will provide theoretical grounds for more directly conducting activities in the fight for democracy; these activities are conducive to **increasingly greater independence, while nongovernment bodies with increasingly stronger political color will continue to grow under the existing communist system. The surfacing of any nongovernment body means the beginning of the eventual emancipation of society from the communist party's domination.** In some communist countries ... some mass organizations have surfaced spontaneously, which have used updated communication means, spreading information the masses need. Such political propaganda beyond the control of communist parties is conducive to **the democratic faction acquiring unanimous opinion on how to conduct social and economic changes, thus helping support dissidents to gradually grow into a genuine political opposition. At a certain time, they will demand talks on the peaceful transfer of power....** (stress added by this author.)

This senior member of the U.S. ruling class' think tank did not hide the desire to bring us down. They attempted to make socialist countries, including China, hand over their power through peaceful evolution with "civil rights" as their pretext. Although their wishful thinking did not come true in China, their propaganda of "civil rights" has had quite a market in our ideological circles, with quite sensational social effects. THE NEW ENLIGHTENMENT shouted the loudest on the "civil rights" issue since the "Xidan Wall" incident. For example, an article in THE NEW ENLIGHTENMENT says: "What are civil rights? They are precisely rights of men, transcending the differences in nationality, race, religion, sex, and age, especially in class, including all men, and are universally applicable...." That is an out-and-out 20th century version of "the theory of natural rights."

Another personality wrote in THE NEW ENLIGHTENMENT, "Confucius only knew 'to subdue one's self and return to propriety,' but contemporary Chinese should 'subdue propriety and return to themselves.' By returning to one's self means that one should establish man's subjectivity and independence, emancipate man's individuality, affirm human rights, and set up a new order and ethics."

"Civil rights" do exist, but abstract "civil rights" do not exist at any time. In different times, societies, classes, and countries, sometimes, different social strata and political groups of the same era and class have varied "civil rights" or at least different connotations. As we know, "civil rights" fell into the Third Estate in the French Revolution toward the end of the 18th century,

and has been an important bourgeois ideological weapon. The famous "Declaration of the Rights of Man and of the Citizen" was the direct offspring of the French Revolution. To safeguard their selfish interests, the Girondists attempted to save the life of dethroned French Emperor Louis XVI, the radical Robespierre faction resolutely drew a demarcation line between them and their former ally Madame Roland in their original antifeudal struggles, and sent her to the guillotine. Robespierre's action defended the basic rights of the overwhelming majority of the French people at that time. Let us cite an example of the 20th century. According to a U.S. official statement, the United States is the most democratic country and is the most vigorous in opposing the violation of civil rights in the world today. When the Afro-American leader Martin Luther King, Jr. rose to defend the colored people's basic civil rights, his precious life was taken by racists. Take still another example. Not long ago, the U.S. Government outrageously invaded Panama, slaughtered and wounded thousands of innocent people, while driving still more of them homeless under the pretext that former Panamanian President Noriega was an international drug trafficker. That was gross injustice! Where could we find civil rights there?! Such examples can be found everywhere at any time on our planet. Moreover, the most shocking examples are invariably connected with the capitalist system. They have eloquently demonstrated that abstract and universal rights of men have never existed through the ages.

In an important speech delivered in 1985 aiming at the bullying current of civil rights in the world, Comrade Xiaoping explicitly pointed out:

What are civil rights? To how many people do they apply? Are they the civil rights of the majority or the minority of people? The "civil rights" referred to by the West and us are two different kettles of soup, for we have different viewpoints.

THE NEW ENLIGHTENMENT did not think much of the above inference, and someone wrote an article to counter it, saying: "Some of us shut their eyes and said that the civil rights issue does not exist in China, and that civil rights are not a proletarian slogan, but a bourgeois one...in short, all things that have something to do with men, such as human nature, personality, human rights, and humanism are all regarded as patented to the bourgeoisie." He went on, "That is erroneous and confused theoretically, and very harmful politically."

"Civil rights" is truly a bourgeois slogan, and one of the foreign bourgeoisie at that, why should the Chinese proletariat pick up phrases from others and pass them off as their own? Why should we pick up such a rag and hoist it as our own banner?

Under the leadership of the CPC, the vanguard of the Chinese working class, the Chinese people have gone through scores of years of bitter struggles, and eventually broke the yoke placed on them by reactionary ruling

classes, Chinese and foreign. Just as Comrade Mao Zedong proudly pointed out, the Chinese people have become masters of their own country. They have won the least rights of men to live and to subsist. A popular saying puts it well: The old society turned men into ghosts, while the new society has turned ghosts into living men. The old society's ghosts were livestock arbitrarily driven and used by others, and slaves at others' disposal. Men in the new society are men who master their own fate, and are masters of their own lives. This is precisely the basic proletarian concept of human rights. In the 41 years since the PRC's founding, especially in the 10 years of the new historical period, the Chinese people have conducted another eye-catching long march, whose goals are to further emancipate themselves and cultivate themselves into men with high material and spiritual civilizations, namely, people with lofty ideals, ethics, better educational backgrounds, and a sense of discipline. Over the past 10 years we have earnestly summarized the painful experiences and lessons in past socialist democratic construction. The National People's Congress and its Standing Committee focused their efforts on building the legal system, and adopted various decrees, and approved of and promulgated legal clauses in every description. Their general spirit or principle is to defend people's rights from various angles. The law protects all people's rights, namely civil rights, from violation. Someone of THE NEW ENLIGHTENMENT wrote: "Chinese representatives have always been evasive whenever the civil rights issue was discussed at the United Nations or other international conferences, and they seemed to be anything but bold and assured on this topic, while being bogged down in a passive situation." That was sheer fabrication! The Chinese Government and its representatives overseas have a clear-cut stand on the civil rights issue, and have never been vague about protecting the Chinese people and respecting peoples of other countries, especially the civil rights of the Third World peoples.

Regarding the human rights issue, THE NEW ENLIGHTENMENT showed particular concern for grasping the freedom of speech in public opinion; for example, someone said: "Common sense told me, the opinion apparatus must be independent by separating itself from supervisors; otherwise, people will never enjoy genuine freedom of speech and the press, and there will be no guarantee of their rights to knowledge, discussing government affairs, and supervision. The essence of banning nongovernment newspapers is in effect banning the supervised from supervising the supervisor; that is completely turning upside down the relationship between the masters and public servants."

Here, we might as well cite the example of THE NEW ENLIGHTENMENT to expound the real meaning of the above paragraph:

In Hong Kong EXPRESS's own words, THE NEW ENLIGHTENMENT was precisely a "nongovernment ideological and theoretical journal," an opinion apparatus "independent of the supervisor." In the four issues

published, 19 theses together with eight essays were carried in 250,000 characters.

How did THE NEW ENLIGHTENMENT exercise its right to discuss government affairs in its four issues (published)? The journal articles involved the political, economic, and cultural arenas. Here, we will limit our discussion to the political arena. What THE NEW ENLIGHTENMENT discussed were some major political issues, for example:

1. Regarding the CPC's "unified leadership" as "individual dictatorship";
2. Socialism was regarded as "feudal autocracy," "feudal socialism," or describing socialism with Chinese characteristics as a combination of feudal tradition, experiences in armed struggles, and ultraleftist tendencies;
3. Regarding the people's democratic dictatorship, namely the proletarian dictatorship as dictatorship over the intellectuals, "replacing physical death by hanging with spiritual death by hanging"; "while Democles' sword has always been hung over the heads of the mass intellectuals, especially the cream (elite) of intellectuals..."; and
4. Regarding the combination of Marxism with China's specific conditions as the coupling of Confucian ethics with Marxism—endowing which with Chinese characteristics.

At the beginning of this section, I quoted the statement of a senior U.S. Government adviser on conducting ideological infiltration among socialist countries to achieve the vicious ulterior motive of making those countries' governments peacefully transfer their power. That refers to the international backdrop. Whereas Fang Lizhi and his ilk took an active part in plotting in the latter half of 1988 to stir up trouble among college students in an attempt to create a political incident in 1989 by taking advantage of the 4 May Movement's 70th anniversary, and the French Revolution's bicentennial. That was exactly what Fang Lizhi meant by imperative action, and the domestic social backdrop at that time. It was precisely at that critical moment that THE NEW ENLIGHTENMENT came into being. Thus, we can see that the journal's surfacing was not by chance. It was likewise not by chance that THE NEW ENLIGHTENMENT had such a strong political color and sharp guidance in opinion.

3. Be a Democratic Individualist or a People's Intellectual

While discussing the issue of intellectuals in 1957, on several occasions Chairman Mao referred to the idiom "with the skin gone, to what can the hair adhere" quoted from "Zuo Qiuming's Commentary on the Spring and Autumn Annals." Chairman Mao meant to explain that in the wake of the basic completion of the socialist transformation of ownership of production materials,

the old "skin" of the economic base of private ownership, to which the intellectuals from the old society adhered to, no longer existed. Under such circumstances, they must now adhere to the new "skin" of public ownership; in other words, come over to the people's side.

The overwhelming majority of the Chinese intellectuals have exerted long-term arduous efforts. Eventually they came to share the people's weal and woe, and became intellectuals of the working people.

Nevertheless, someone wrote in *THE NEW ENLIGHTENMENT*: "The era in which the intellectuals adhere to the 'skin' as hair should come to an end." That means the intellectuals may not combine themselves with the working people. It was said, because "the era has come for the Chinese intellectuals to thoroughly get rid of the long-term dependence in history and to genuinely become their own masters. The important point is to awaken their sense of subjectivity, to overcome the traditional concept of dependence and the mentality of waiting, while courageously taking up the responsibility of the times to sound the clarion of the new cultural enlightenment movement." Thus we can see, the "New Enlightenment" movement, or those personalities of "enlightenment" are prerequisites by deviating from the people. Although the same personalities never tired of talking about "the people," but that was simply a "pre-text."

Someone in *THE NEW ENLIGHTENMENT* further explained what the intellectuals' sense of subjectivity was. This "sense of subjectivity" refers to the "imperativeness of the intellectuals to acquire their individual dignity." It was said that "individual dignity" includes the following essences: 1) In the sense of subjectivity, the intellectuals' "motive of primary behavior is not out of the consideration of whatever external needs, but is solely driven by their self-interest"; 2) in the mode of thinking, the intellectuals rely on their personal scientific reason" (or referred to as "the individual reason of science," thus, they are capable of conducting ample independent factual analyses, with the capability for value judgment, and "making their own choice based on their own reason"; and 3) in behavioral pattern, the intellectuals are "rich in social critical spirit," and "they should base themselves upon their own professions, independent of any political group, in participating in social or political decision making,...while maintaining a sober and cool social critical spirit with a transcending attitude." The first essence attempts to justify the intellectual's behavioral motives, which are based on individualist interests. The second essence aims to cloak such individualist interests with scientific reason theoretically. Such scientific reason is none other than egoism characterized by extreme individualism. The third essence means the call for repudiation and resistance against society whenever social realities and theories impede the expansion of such individualism and fail to satisfy their individualist interests. But what is the target of their repudiation and resistance? Lou Xiaobo, another

contributor to *THE NEW ENLIGHTENMENT*, put it explicitly on another occasion. He wrote in an article: "So long as the intellectuals are aware of this, they will follow the way of resistance, which is the holy matter and the bible of the Chinese intellectuals today, and there is no other way out." That being the case, he said, first it was "necessary to repudiate and resist the powers that be," second, it was "necessary to unfold criticism against the ignorant masses at the lower stratum"; and third, it was "necessary to unfold self-criticism." The last aims at self-mobilization and self-encouragement to further intensify the repudiation and resistance against "the powers that be" and the masses (quoted from Liu Xiaobo's speech: "China's Politics and Contemporary Chinese Intellectuals"). On 29 January 1989, when Fang Lizhi talked about the discussion meeting to mark *THE NEW ENLIGHTENMENT*'S publication with his participation at the Dule Book Store, he put it even more explicitly, saying: "It is necessary to adopt an attitude of total and thorough repudiation of the authorities; for they can now dish up nothing new. I have a feeling that we will take to the streets if three consecutive meetings like this are held."

That happened not only in speeches but also in actions regarding those *NEW ENLIGHTENMENT* people (not all, but a considerable portion of them at least). During the turmoils in Beijing, the chief contributors to *THE NEW ENLIGHTENMENT*, including Yang Jiaqi, Su Shaozhi, Yu Haocheng, Li Honglin, Shao Yanxiang, Wang Ruoshui, Yuan Ming, Jin Quantao, Bao Zunxin and Liu Xiaobo, were extremely agitated in their activities. Some of them sent petitions to the CPC Central Committee, National People's Congress Standing Committee, and State Council defending the turmoils; or put up big-character posters like "We Can No Longer Keep Mute," to instigate the intellectuals to participate in the grand demonstration in support of students on hunger strike; or issued "Our Urgent Appeal on Today's Situation" to pour oil on fire; or published the notorious "May 16 Statement"; or organized and founded the illegitimate "Beijing Intellectuals Association"; or participated in the session for heads of illegitimate organizations convoked at the auditorium on the 12th floor of the China Academy of Social Sciences; they went so far that, on the eve of the rebellion, Liu Xiaobo and three others of his ilk participated in the hunger strike at the northern platform of the monument at Tiananmen Square...and so forth. The speeches and actions of those people have demonstrated that it is dead certain that they are no longer intellectuals adhering to the people's "skin," but out-and-out "democratic individualists." Of course, they are "democratic individualists" of the second generation, because they are, after all, different from the generation of Hu Shih and Fu Sinian. Many of the "democratic individualists" are, or have been communists. They are the preys of the "peaceful evolution" policy as pursued by reactionary forces at home and abroad. Here lies the seriousness of the matter.

Those people believed that separating themselves from the people's "skin," they would really acquire the "individual dignity" and independent "sense of subjectivity," which they have long craved. In actuality, they have only succeeded in moving from one "nest" to another, and adhering to another "skin." The party policy toward personalities in this category, aside from a small number who have violated the law and discipline, is based on giving them a helping hand, allowing them a chance to earnestly summarize experiences and lessons so that they may come to see their errors as early as possible.

As to those who have betrayed China and adhered to reactionary forces of every description, and have even patched up reactionary organizations such as the "Democratic China Front" to firmly oppose the people, they have precisely turned into incorrigible scum of the nation.

The pens of THE NEW ENLIGHTENMENT claimed themselves to be "cultural elite," the intellectuals' spokesmen, and the so-called "personalities of foresight." In actuality, that was only their wishful thinking. They can in no way represent the masses' Chinese intellectuals.

The Chinese intellectuals, be they of the older generation from the old society or the new generation cultivated since the PRC's founding, have stood the test of revolutionary practices, and the overwhelming majority of them have turned into intellectuals of the working class and laboring people. They cherished the party and socialist China. In China, be it democratic or socialist revolution, or the present great four modernizations, victory would be impossible without the intellectuals' extensive participation. That is one of China's basic national conditions. Chairman Mao, Deng Xiaoping, and leading members of the third generation, with Comrade Jiang Zemin as the core, have attached great importance to the intellectuals' role. At the same time, the party has also paid great attention to remodeling the intellectual's world outlook. This is precisely starting from caring for the intellectuals, giving play to their initiative, so that they may better contribute their precious talents to the socialist cause.

The 1989 Beijing storm has served as a mirror, at the same time, reflected some problems not to be neglected among the intellectuals. Some people failed to tell right from wrong on major issues of principle for a time, others failed to tell the correct political orientation, still others drifted with the current, moreover, they had failed to change their thinking for a considerably long period. All this has demonstrated that there is a need for the intellectuals to further resolve problems in their world outlook, outlook on life, and value concepts. What does man live for, and how do questions get correctly settled?

In conclusion, I should like to quote two statements from Deng Xiaoping:

History continues to make progress, hence the need for people to remold their thinking. Not only intellectuals from the old society should remold themselves, but also intellectuals cultivated since the PRC's founding should continue to do so. Not only should the intellectuals continue to remold their thinking, so should workers, peasants, and communists.

In our socialist society, every one should remold himself. Those who have not yet changed their basic stand should reform themselves; moreover, all people should study, continue to remold themselves, study new problems, accept new things, and consciously resist the attack of bourgeois ideology, to better fulfill the glorious but arduous tasks for building a modern socialist power (quoted from "Deng Xiaoping on Literature and Art" pp 92, 95).

The author has so far discussed three vitally important issues in the political and ideological arenas with his view aired in some initial discussions on THE NEW ENLIGHTENMENT. Here I should like to say, the three points are far from all the problems. For example, regarding Marxism with Chinese characteristics as the coupling of Marxism and Confucianism has only been touched upon, but not commented on. As to some major errors of THE NEW ENLIGHTENMENT, the author did not have time to deal with them. For example, The view of THE NEW ENLIGHTENMENT's chief editor on the basic cause of the interruption of the 4 May Enlightenment Movement and his interpretation of the ideological development of Lu Xun, the great revolutionary, thinker, and man of letters, are unacceptable and must be clarified theoretically (he said, with the beginning of his collection of essays, "Two Hearts," Lu Xun had accepted with piety the "leftist" theoretical effects of such party theorists as Ju Qiubai; consequently, "many of his essays took on the color of literature characterized by obeying order in a particular sense. For example, such traces can be found in his criticism of people in the third category, in the polemic on the freedom of literature and art, and his analysis of class nature.... It was not until his last years that he began to get rid of the leftist effects and expressed something different from the limitation shown in the "Two Hearts" with a new spiritual elevation. Those last articles published before his death, 'My First Teacher,' 'The Ghost,' 'Death,' and 'An Introduction to the Album of Kathe Kollwitz's Prints,' were profound, sad and meaningful.)

As mentioned above, there were serious mistakes in THE NEW ENLIGHTENMENT'S guidance of public opinion. Its articles played the role of aggravating the storm in Beijing in 1989. This author hopes that its chief editor and writers will clear out all the dirt in this contemporary "Augean stables," in the joint efforts of the mass theoretical workers.

Military

Jiang Zemin Instructions on Army Logistics Work

HK0301150191 Beijing JIEFANGJUN BAO in Chinese
22 Dec 90 p 1

[Report by Wang Yihua (3769 5030 5478) and reporter Nie Zhonglin (5119 0022 2651): "Do a Good Job, Manage Financial Affairs Well, Make Fresh Contributions to Army Building"]

[Text] Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, has shown great concern for the Army's logistics reform and building and has, many times, issued important instructions on logistics work and urged the broad masses of officers and soldiers on the logistics front throughout the Army to do a good job, manage financial affairs well, and continue to make fresh contributions to army building.

On 14 December, just before the All-Army Logistics Work Conference was held, Chairman Jiang wrote the following instruction on a report on the All-Army Logistics Work Conference, which was submitted by the General Logistics Department: "I hope that all the comrades on the logistics front throughout the Army will make persistent efforts, continue to strengthen logistics building as well as ideological and political work throughout the Army, deepen logistics reform, do a good job, manage financial affairs well, further increase the economic results of logistics work, and make fresh contributions to army building."

Before that, Chairman Jiang had also issued a series of important instructions on logistics work. While inspecting the General Logistics Department at the start of this year, Chairman Jiang made an important speech on logistics reform and logistics building and wrote with a writing brush: "Deepen logistics reform, strengthen logistics building, and strive to comprehensively improve logistics guarantee capacity!"

When the Central Military Commission conferred the honorary title "Model Army Service Station on Qinghai-Tibet Plateau" on the Qinghai-Tibet Army Service Station in July of this year, Chairman Jiang personally wrote the following inscription for the Qinghai-Tibet Army Service Station: "Develop the revolutionary spirit of enduring extreme hardships, exercising maximum restraint, and carrying out heroic fighting."

The deputies attending the All-Army Logistics Work Conference conscientiously studied a series of important instructions made by Chairman Jiang and were thereby greatly enlightened and encouraged. They unanimously pledged to live up to the ardent expectations of Chairman Jiang and other leading comrades of the Central Military Commission on the Army's logistics work, further strengthen their overall concept and service concept, continue to honestly, industriously, and

thriftily manage their work, and strive to guarantee the Army's modernization building and increase the Army's combat effectiveness.

Article Stresses Quality of Military Training

HK0401101591 Beijing JIEFANGJUN BAO
in Chinese 14 Dec 90 p 3

[Article by Zhang Shuyun (1728 2885 0061): "Enhance Awareness of the Quality of Military Training"]

[Text] In recent years, the military commission has proposed that the Army's work must be measured in terms of fighting capability and be anchored in military training. It also demanded that the Army must be politically competent and militarily tough. This was the scientific conclusion drawn from both the positive and negative aspects of army building since the founding of the PRC and has pointed out the direction of our military work in the new period.

To ensure military toughness, it is necessary to strive to the utmost to raise the quality of military training. This would then require a stronger awareness of quality.

I. Quality is the measurement of the intrinsic character of things. In terms of products, it is the degree of excellence or mediocrity according to the consumers. To the Army, it is the degree of the weaponry's modernity as well as the degree of the operator's proficiency in handling the weapons and equipment. In the final analysis, army building has to address the incompatibility between the level of fighting capability and the demands of military strategy, and under normal circumstances, quality is always at the top of the criteria for fighting capability. Military toughness in effect means quality toughness because the contention between the enemy and us is primarily manifested in the contention between the qualities of the armies. Hence, the effectiveness of military training will eventually have to be pinned to quality. Unless quality is enhanced, military training would be meaningless. The attainment of the standards set on fighting capability would also be reduced to hollow words.

In today's world, quality army building has become the common choice of all armies in all countries. Along with the development of science and technology, more and more new sciences and technologies are being incorporated into modern weapons and equipment, leading to a drastic upgrading of their killing, launching, and assault capabilities. Moreover, improvements in the command and control of armies have also brought enormous changes to the concept of time and space. Hence, the traditional importance of quantity is weakening while emphasis on quality is growing. Today it is becoming more and more difficult to use quantity to make up for insufficiency of quality. As higher quality and lower quantity becomes a world trend, it has also heralded the coming of an age that stresses quality. As weapons and equipment become more and more highly sophisticated, the cultivation of feeling between man and weapons and

the proficient operation of modern weapons and equipment become similarly more difficult. After all, when the river rises, the boat goes up. So, unless military training is adapted to this situation and well-trained top quality people are turned out, then the fighting efficiency promised by the best weaponry will not be given full play.

Owing to limited national resources, our Army's weaponry is unlikely to be vastly upgraded for a long while. Hence, it is even more necessary to raise the quality of military training. We know that the quality of the operators determines whether the fighting potentials of weapons and equipment can be exploited to the fullest extent. The same weaponry may display different effects in the hands of different people. This shows that the quality of weapons is a constant while the display of efficiency is a variable. Even though a considerable gap separates our weaponry from that of developed countries, if the quality of training can be raised and potentials of existing weaponry tapped to the fullest, then the fighting capability of our Army can be raised considerably, and this will then make up for the lack of modernity of our weaponry.

While detente is the general trend in the international situation, the threats of military confrontation and regional wars continue to exist, and it is absolutely necessary not to lower one's guard. Looking at the regional wars that have broken out on a worldwide scale, war exhaustion is not merely a question of quantity but also one of politics. Under increasingly transparent conditions, regional wars have become a window through which the world examines the fighting capability of an army. Even if certain short term goals may have been achieved, excessive depletion and exorbitant costs could undermine the long-term effect of deterrence. Hence, it is necessary to seek high efficiency and low exhaustion in case of a war. Superiority over the enemy should be established as soon as possible within a limited time-frame, and the predetermined strategic goal realized through extremely accurate and effective military action. To accomplish this, it is imperative to raise the quality of commanders through strict military training. In many cases, regional wars that erupt suddenly do not give us much time for war exercises; therefore, the troops should be equipped with corresponding fighting capability in times of peace so that they can acquire the quality needed in times of war. On this point, it may be said that the quality of military training is directly related to the question of whether military strategic goals can be achieved or not, and as such, is also related to the strategic question of state interest.

II. Quality should be presented in withing definite quality parameters. Definite quality parameters are stipulated for every single step in the entire manufacturing process of a product, from raw material processing to finished product. This is also known as quality control. Quality parameters are the measurements of a product's quality as well as the fundamental guarantee of higher quality. Without these, there can be no talk of quality management.

The "product" in military training is man. To ensure the competent training of the "product," a corresponding quality parameter should also be strictly stipulated. Because the mastery of military techniques follows definite procedures, each procedure should attain definite quality parameters before the ultimate training quality can be acquired. On the other hand, only through strict stipulations that each training procedure should meet a quality parameter can both trainer and trainee be given a clear objective and training quality be measured by concrete yardsticks. It should also be noted that military training should continuously narrow the gap between the troops' fighting capability and the demands of military strategy. Strategic goals should be divided into different stages, each assigned a manageable quality parameter so that army training can be guided by concrete yardsticks. This way, it may be possible to gradually realize the objectives of military strategies.

The scientific formulation of a system of quality parameters for each stage of military training is a formidable project. In recent years, on the basis of a serious conclusion of training experiences, rational absorption of the results of training reforms, and selective borrowing of the experiences of foreign armies, our Army has drawn up a series of rules and regulations as well as a training program. These have supplied the basis for the regularization of our Army's training and will no doubt provide a forceful boost to the raising of the quality of our Army's training. It should also be noted, however, that the requirements outlined in the training program are mostly directed toward common training subjects, with some appearing to be rather theoretical and general. For instance, training requirements and quality parameters pertaining to special border and regional fighting and to the handling of sudden incidents seem insufficient. This writer maintains that it is necessary to organize a certain force that will formulate a body of training quality parameters suitable to the different branches of our Army. This will be done on the basis of a profound mastery of the military strategy in the new period and through an extensive investigation and the study of modern military theories.

III. Training quality is an important way to test the effectiveness of training; it cannot reflect the overall efficiency of training. Training efficiency takes into consideration not only the proficiency and accuracy in the operation of weapons and equipment but also the proportion between input and output. We are after a training efficiency that has low input but excellent output; in other words, it is the integration of high quality and low consumption.

The raising of training quality is realized in the process of input and output. This includes the question of training methods as well as a series of questions about training management, such as the allocation and utilization of training resources. If training management is "extensive-oriented," then it would be difficult to convert the input of training resources into ideal training

quality. Therefore, it is necessary to strengthen training management if training quality is to be upgraded.

Training management is a science. To raise the effectiveness of training management is in fact to raise the scientific element in training. Looking at the current state of our Army's training, increasing the scientific element in training is of special realistic significance. In some units, training in terms of personnel, time, and contents has been inadequate. One of the reasons for this is that training management has remained stagnant in an "extensive-oriented" state. It should be understood that training of personnel, time, and contents is but a prerequisite for the attainment of quality. The two can only be integrated by a central link—that is, training management. Some of our comrades have a very shallow awareness of military economics. They muddle through training by inputting training resources and spending a certain amount of time. Therefore, their training resources do not produce a definite result. This disregard for training gains should be changed. We already suffer from tight funding for training—some units even have to divert proceeds from production and operation into training expenses. If these materials are not converted into training gains, it would be a serious waste of human, material, and time resources. In an age where war is evolving toward greater sophistication, the element of time is playing an increasingly bigger role, forcing soldiers to master the functions of weapons in the shortest possible time. To adapt to this trend, we should use limited time to transform limited material resources into the biggest training gains. Otherwise, the pace of military modernization would be hampered. This is something that cannot be tolerated in view of the country's security and interests.

To step up training management, it is essential to control the entire training process through a training program. The formulation of a training program is but half the story. During implementation of the training process, a large amount of time and energy is often needed to spur the continuing rise in training quality through inspections, tests, and various types of concrete guidance as well as careful regulation of military training from beginning to end. The implementation of a training program is a motion process that requires that we do practical and detailed work and not be satisfied merely by defining responsibilities and drawing up targets. More importantly, we should not think merely of carrying out a few "momentous" undertakings during our tenure. If all levels would quietly contribute to the raising of training quality, the fighting capability of our Army will definitely be enhanced greatly.

Economic & Agricultural

Foreign Trade Developments in 1990 Viewed

*OW0201224391 Beijing Domestic Service in Mandarin
0530 GMT 2 Jan 91*

[Radio script issued by the Information Department of the Ministry of Foreign Economic Relations and Trade:

"New Development in Our Country's Foreign Economic Relations and Trade"; from the "International News and Current Events" program]

[Text] The year 1990 was the first year of the 1990's. It was also a year in which we opened further to the outside world and continued to implement the policy of improving the economic environment, straightening out economic order, and carrying out in-depth reform. Under the correct leadership of the party Central Committee and State Council, we achieved marked results in improving the economic environment and straightening out economic order. We effectively kept inflation under control, readjusted the industrial production structure, and enjoyed a good year in agriculture. Our grain production reached an all-time high. As a result, our national economy developed in a stable and coordinated way. China's foreign economic relations and trade are not only an important part of the national economy but also a major aspect in opening to the outside world. In 1990 they continued to maintain a trend of good development and achieved spectacular new results.

Striving hard to develop foreign trade; expanding exports to earn more foreign exchange; and importing raw and processed materials, advanced technology, equipment, and the people's daily necessities, all necessary for China's economic development but currently in short supply, are important strategic measures for modernizing China and promoting sustained and stable growth for China's national economy. In 1990, we stressed the development of exports and adopted positive measures to guarantee their continuous and steady growth.

According to statistics from the Ministry of Foreign Economic Relations and Trade, foreign exports from January to November reached \$46.283 billion, an increase of 19.2 percent over the corresponding period of the previous year. Export volume in the entire year of 1990 is estimated to have exceeded \$50 billion. In addition, the composition of export commodities continued to improve; exports of finished industrial products continuously increased; and exports of primary products continued to decline. Import trade volume from January to November reached \$26.813 billion, a decrease compared to the corresponding period of the previous year. Although the decrease in imports was due to weak domestic demand and rising import costs, the main reason was that some Western countries imposed economic sanctions on our country by setting more restrictions on technology export to China. We were also not able to import some commodities. The suspension of signing new government loan agreements and offering credit guarantees also weakened the competitive strength of their commodities in entering China's market.

China does not practice trade protectionism. To promote China's socialist modernization, we must import, on a large scale, advanced technology and equipment, capital, and important materials. As long as we are able to pay, we must expand our imports. The principle of

China's imports and exports is to maintain a basic balance of imports and exports while maintaining a necessary foreign exchange reserve.

Now that Western countries have lifted economic sanctions against our country and we have achieved further results in our domestic economic readjustment, our foreign trade imports will increase. As a matter of fact, our imports in the second half of 1990 picked up rapidly. According to the Ministry of Foreign Economic Relations and Trade, imports from July to October rose 5.3 percent over the first half of 1990.

In 1990 China made more headway in utilizing foreign capital. To further expand the opening to the outside and to promote economic cooperation with all countries and regions in the world, China adopted some important measures to encourage foreign firms to invest. These measures included the revised law governing the management of joint ventures, another preferential policy for joint ventures approved by the Third Session of the Seventh National People's Congress, the development and opening of Shanghai's Pudong Area, approved by the party Central Committee, the incorporation of Shandong's Jinan City into the coastal economic development zone as approved by the State Council, and the PRC Provisional Regulations Governing the Selling or Transferring the Possession of the Right To Use State-Owned Land in Cities and Towns and the Temporary Provisions on the Management of Developing Tracts of Land by Foreign Investors, most of which were promulgated by the State Council.

Our country also promulgated the Copyright Law, thus strengthening the protection of foreign firms' intellectual property and rights. Thanks to these measures, foreign capital utilized by China increased month after month in 1990. From January to November, the amount of foreign capital for utilization as shown in agreements reached \$10.57 billion, while the amount of foreign capital actually used was \$8.809 billion, an increase of 5.5 percent and 6.8 percent respectively over the corresponding period of the previous year. Of the sum, the amount of loans borrowed from foreign countries according to agreements and the amount of loans actually used increased by larger margins compared with the corresponding period of the previous year. The increase rates were nine percent and 12.2 percent respectively.

The number of projects in which foreign firms directly invested increased substantially. The volume of foreign capital for utilization as stipulated in contracts increased 8.7 percent over the previous year, while the volume of foreign capital actually used was about the same as that in the corresponding period of the previous year.

The main characteristic of foreign firms' direct investments in 1990 was that the number of productive projects constituted more than 90 percent of the total and that they were mostly export-oriented enterprises. Most of them were in chemical industry, machinery, electronics industry, and garment industry. Exports by

enterprises in which foreign firms invested developed very quickly. From January to November, the volume of exports reached \$4.797 billion, an increase of 64.7 percent over the corresponding period of the previous year. These favorable development trends in foreign investments in China shows that our country is politically, socially, and economically stable and that its environment for investments is improving continuously.

Other foreign economic and trade activities in 1990 also made remarkable headway. Contract labor exported to foreign countries is an enterprise developed since China adopted the policy of opening to the outside world. From January to September, the value of new contracted projects in foreign countries and labor cooperation contracts reached \$2 billion. It was estimated that the 1990 total would be \$2.5 billion, a 13 percent increase over the previous year. Technology exports developed quickly. The value of export contracts from January to September was \$405 million.

In 1990, China strengthened its work concerning aid to foreign countries. Some 75 countries were added to the list of those countries receiving aid. Some 33 new projects were completed. The rate of progress in building complete projects quickened, while the quality of the projects and the social benefits and economic results of aid further improved. Overseas investments, a new enterprise to develop foreign economic relations and trade, also made great headway in 1990. From January to October, China approved 125 non-trade enterprises with investments overseas. The Chinese side invested \$62 million. As of now, China has approved a total of 770 non-trade enterprises with investments overseas. The Chinese side has invested a total of \$1.013 billion in 88 countries and regions; most enterprises which undertook production managed very well.

Concern Over Industrial, Commercial Tax Quota

HK0401023691 Beijing CHINA DAILY in English
4 Jan 91 p 2

[By staff reporter Zhang Yuan]

[Text] The country's industrial and commercial tax collections totalled just 92 per cent of the year's goal through December 15, leaving some concern that the 1990 plan would not be fulfilled, China Daily learned yesterday.

An official of the State Taxation Bureau disclosed that it would be "very difficult" to fulfill last year's planned quota of taxes from industrial and commercial enterprises.

From January to October in 1990, the bureau collected a total of 158.8 billion yuan (\$30.54 billion) in industrial and commercial taxes, up 3.8 per cent compared with the same period in 1989.

But that good situation failed to continue in the final two months of last year, according to the official, who declined to be identified.

However, the official said, two provinces and two autonomous regions in the country overfulfilled their annual quotas of industrial and commercial taxes in mid-December.

He said, South China's Yunnan Province took the lead in fulfilling its 1990 industrial and commercial tax quota by 109 per cent as of December 15.

Fujian Province and Xinjiang Uygur Autonomous Region saw increases of one per cent and three per cent respectively over the previous year while Ningxia Hui autonomous Region registered a slight increase, the official said.

Domestic Economy's Gains, Objectives Viewed

HK0301023891 Beijing CHINA DAILY in English
3 Jan 91 p 1

[By staff reporter Xie Liangjun]

[Text] The recovery of China's domestic market will be faster and smoother this year than last, according to Vice-Minister of Commerce Zhang Shiyao.

Zhang said yesterday that recovery would be slow and steady in the first half of the year and pick up momentum in the second half.

Market sales, which had suffered formidable negative growth since late 1989, only began to bounce back after last May. Growth crept up 3.6 percent in September from 1.4 percent in June.

From January to May last year, urban sales volume fell by 0.7 percent compared with the same period of 1989, and rural sales dropped by 6.6 percent.

Zhang said his predictions were based on State plans for expanded investment this year in capital construction, which, he said, was expected to boost demand.

He said the rising purchasing power of China's 800 million farmers since 1990's bumper harvest would also ensure market recovery.

Retrenchment policies had led to improved production structure and as a result more products would be available to meet market demand.

Zhang said political, economic and social stability would continue to create a favourable climate for a stable and prosperous market.

But he said some remaining hurdles would prevent a rapid upturn in market demand.

One of these hurdles was the low returns of State-run companies and collectively-run rural supply and marketing co-operatives, which were the main channel of commodity circulation.

Between January and October last year, the profits of State-run commercial departments dropped by 87 percent over the corresponding 1989 period, while those of supply and marketing cooperatives plunged by 57 percent.

At least 28 percent of the commercial departments and 31 percent of rural cooperatives were losing money because they had to sell such daily necessities as grain at artificially-controlled low prices.

Zhang said widespread regional trade blockades were damaging smooth commodity flow, though the State Council had ordered a stop to local protectionism.

Rising purchasing power in the countryside might not match the great expectations of the State commercial departments, Zhang said.

Last year's big harvests may have brought more money to cotton growers but did not mean much to grain growers as grain prices had remained unprofitably low.

And in some regions, farmers still found it hard to sell grain and could only get IOUs instead of cash.

Nonetheless, Zhang said, tapping the potentially huge rural market would be given priority this year as it accounted for more than half of the nation's total sales.

Article Discusses Circulation Modernization

HK0401100591 Beijing JINGJI CANKAO in Chinese
9 Dec 90 p 4

[Article by Wang Hui (3076 1979) from 27 September SICHUAN JINGJI BAO: "Modernization and Socialization of Circulation"]

[Text] As the erroneous trend of stressing production to the neglect of circulation has still not been fundamentally corrected even to this day, the people still do not have a strong sense of circulation and have not acquired a profound understanding of the important position of circulation in the national economy. At present, there are many problems in the sphere of circulation. The main problems are: As the domestic and foreign trades, as well as the means of production and means of subsistence are under separate management and departments and regions are separated, it is difficult to form a unified market. As a result, the speed of circulation is very slow and large amounts of funds are lying idle. This has not only seriously affected the increase in social and economic benefits but also is harmful to the unified, fair, and effective management, regulation, and control. The insufficient transport capacity, outdated circulation facilities, and low degree of automation and mechanization have also affected the speed of circulation. Materials

circulation is not rational and the phenomenon of roundabout transportation often occurs, which has resulted in the serious waste of manpower, material resources, and transportation power. The allocation and distribution of resources are also unreasonable. In the market of competition, there are no reasonable standards and the market order, as well as an effective market regulation and control system have not been established. All these are extremely harmful to the economic development. The next decade is a key period for China's socialist economic development. Deepening reform of the circulation structure and promoting the development of the circulation industry is a strategic task for us. In this regard, there are many problems that should be studied and resolved. The central problem is how to establish a unified market under the guidance of planning and how to establish a highly efficient, unimpeded, and controllable circulation system. In short, the central problem is to realize modernization, socialization, and rationalization of circulation.

The socialization of circulation mainly refers to putting an end to the situation of separation and establishing an unified market. This can be realized by the following means: First, to solve the problem of separating the international from the domestic trade and separating the trade of the means of production from that of the means of subsistence. Of course, this is a long-term target. Judging from the current situation, the division of work among foreign trade, commerce, and materials supply can remain basically unchanged. But in concrete business, they should be allowed to interflow. Now some areas are already doing it this way, but there are still some obstructions. At present, it is particularly necessary to solve the problem of management power in foreign trade relating to the materials departments. Second, to promote the combination of circulation enterprises on the basis of voluntariness and mutual benefit so that the superiority of various sides can be brought into play. Third, to exercise dual leadership over the supply and marketing units under the materials departments and the materials units under the departments in charge of production while having the original administrative structures remain unchanged. It is necessary to resolutely oppose the practice of "integrating production, supply, and marketing" within the department. Fourth, to establish large-scale transregional and transdepartmental circulation enterprises. Of course, the problems can be fundamentally solved only when government administration and enterprise management are separated and reform of the financial structure is completed. But judging from the current situation, the above-mentioned methods can still be explored and experimented with. The modernization of circulation mainly refers to improving the management, facilities, and technology of circulation, especially the backward situation of storage and transportation, and establishing a number of rationally located, technologically advanced, and perfectly equipped large-scale circulation bases and installations as well as perfect and realistic management systems and methods. At the same time, new technologies should be

adopted extensively. Some people proposed that materials are processed in light of their allocation and transportation, which should also be improved, and that container transport should be developed so as to promote modernization of materials circulation. This proposal is of strategic significance. It should be further discussed and experimented with. The socialization and modernization of circulation are related with each other and promote each other. Both must be realized at the same time. But they can be realized only by deepening reform of the economic structure and further opening up to the outside world.

1990 Industrial Production Quota Exceeded

OW0401142591 Beijing Central Television Program
One in Mandarin 1100 GMT 2 Jan 91

[From the "National News Hookup" program]

[Text] China overfulfilled its 1990 industrial production quota—a planned growth of six percent. In 1990 China's industrial production faced extraordinary difficulties caused by a sluggish market, a shortage of funds, an impeded economic cycle, a decline in production during the beginning of the year, and a later stagnation in industrial production. Confronted with these difficulties, more than 100 million cadres, staff members, and workers on the industrial front throughout the country, carrying forward the working class spirit of being able to work hard, conscientiously implemented the party Central Committee's policy of further improving the economic environment, rectifying economic order, and deepening reform, and carried out the State Council's measures for adjusting the intensity of retrenchment. As a result, industrial production began to turn for the better. Encouraging achievements were made in many sectors. The total industrial output value of units at and above the township level throughout the country is expected to reach 1.325 trillion yuan, an increase of 5.8 percent over 1989. This figure, plus the output value of industrial enterprises at and below the village level, is expected to exceed the planned growth of six percent. [video shows various shots of factories and coal mines while announcer reads report]

In the course of readjustment in 1990, China's industrial enterprises manufactured readily marketable products after carefully surveying market demands, thus successfully adjusting their industrial setup and product mix. The output of such products as bicycles, sewing machines, cameras, household washing machines, refrigerators, canned food, and general machine tools, declined 15 to 30 percent compared with 1989, because of a sluggish market. The output of such basic industrial products as energy and raw and semifinished materials rose steadily. The output of coal throughout the country is expected to reach 1.09 billion metric tons, an increase of 3.4 percent over 1989. The amount of generated electricity was 615 billion kwh, up 5.2 percent over 1989. The output of crude oil was 138 million metric tons, up 0.3 percent over 1989. The output of steel was 65.8

million metric tons, topping the 1989 figure by 5.8 percent. Of this figure, the output of nonferrous metals was 2.25 million metric tons, increasing by 2.9 percent compared with 1989.

To raise industrial economic results, the state adopted special policies to give preferential treatment to the key state-owned large and medium-sized enterprises which play a dominant role in the national economy and supply most of the state revenues, by ensuring them funds, energy, raw and semifinished materials, and transportation service. As a result, the output of these enterprises began to increase, and their economic results also improved.

In 1990, progress was also made in the reform of China's industrial enterprises. By the end of December, more than 80 percent of the second batch of industrial enterprises under the state budget throughout the country had adopted the managerial responsibility system, and progress had been made in enterprise upgrading, on-the-spot management, and basic construction, thus ensuring steady and sustained production.

The six percent industrial growth achieved in 1990 under difficult conditions shows that if this growth rate can be sustained, the goal of quadrupling China's gross national product by the end of this century certainly can be realized.

1991 Output of 510,000 Automobiles Planned

*OW0301191591 Beijing XINHUA in English
1316 GMT 3 Jan 91*

[Text] Beijing, January 3 (XINHUA)—China plans to turn out 510,000 automobiles of various kinds this year, an official from the China National Automotive Industry Corporation (CNAIC) told XINHUA today.

He said the industry will readjust the product mix by increasing the number of sedans, jeeps, buses and heavy-duty trucks, while reducing the output of light-duty and medium-duty trucks.

According to the CNAIC, China's auto industry will be better situated as far as production and sales of automobiles go this year, compared with last year when the auto market suffered a slump.

A balance can be achieved between demand and supply this year, the official said, adding that sedan cars and jeeps will continue to enjoy a ready market.

Baoshan Steelworks Establishes 1991 Goals

*HK0401023091 Beijing CHINA DAILY in English
4 Jan 91 p 2*

[By staff reporter Ren Kan]

[Text] The Baoshan Iron and Steel Complex, China's most advanced steel producer, hopes to show its muscle with a 12 percent increase in production this year.

The Shanghai-based corporation will strive to produce 4.5 million tons of steel this year, according to Li Ming, vice-minister of the Metallurgical Industry.

Baoshan, the country's fourth largest steel producer, turned out 4.01 million tons steel last year, accounting for 6 percent of the country's total steel output.

The corporation this year will expand its production of steel products which are in short supply in the domestic market including enamelled pressed steel.

Relying on technical renovation, the corporation will develop new, high-grade products which the country still has to import.

While increasing its output, the corporation will also concentrate on the quality improvement of their products.

The State has required the corporation's products to be up to the relevant international standards.

To improve its labour productivity, the corporation will set up an industrial technology school to train its managers and technicians this year.

The corporation will also take desperate efforts to cut the production costs.

The corporation's ambitious plan is firmly supported by its second phase of construction nearly completed.

The second phase of construction, started in 1985, is expected to be finished this October.

Three plants for hot-rolling, cold rolling and continuous casting, major parts of the construction projects, were put into operation last year.

The projects for blast furnace, a sintering machine and coking ovens are expected to be completed this June.

When the 2.87 billion yuan (\$552 million) project is complete, the complex will be able to produce 6.7 million tons of steel and 6.5 million tons of pig iron.

With its increased capacity of supplying 4.2 million tons of high grade products annually, the corporation is expected to become the country's steel plate and tube production base.

While setting targets for this year's production, the corporation has also drawn up a new programme for its development during the coming 10 years.

According to the new program, the company will pay back all the loans and interest for construction of its second-stage projects while turning over a similar amount of taxes and profits to the State.

And the corporation is also seeking to accumulate funds for construction of its third-stage project before the turn of the century.

The third-stage project, including several plate plants, will give a production capacity of 20 million tons annually.

Agrotechnology Exposition Opens in Beijing

*OW0401111691 Beijing XINHUA in English
1036 GMT 4 Jan 91*

[Text] Beijing, January 4 (XINHUA)—An exposition aimed at promoting new agricultural science and technology among farmers opened in the National Agricultural Exhibition Hall here today.

Over 2,000 items of agrotechnology developed in the past few years by China's research institutes, colleges and

agrotech extension departments are on display at the exposition, which closes January 19.

According to the Ministry of Agriculture, China has developed some 25,000 such items in the past decade, with most of them yielding remarkable economic results. The wide use of new types of farm machinery alone has added nine billion kg of grain, 100 million kg of meat and eggs and 110 million kg of fish to the country's harvests.

However, some 60 percent of the existing technology is yet to be popularized, and new science and technology accounted for only 30 percent to 40 percent of last year's grain production increase, far below the world's advanced level.

East Region

Reform Adds 'New Vigor and Vitality' to Anhui

OW0401064991 Hefei ANHUI RIBAO in Chinese
26 Dec 90 p 1

[By the Anhui Provincial Statistical Bureau]

[Text] The reform and open policies have added new vigor and vitality to our province's industry. During the period of the Seventh Five-Year Plan, industrial production has developed with a rather high speed in our province. There has been a remarkable rise in its industrial strength, and most of the major targets set in the plan have been met ahead of schedule.

According to initial estimates by the provincial statistical bureau, the gross value of industrial production for 1990 will be over 47 billion yuan, topping the 1985 record by around 85 percent. The annual growth rate for the Seventh Five-Year Plan period will average 13.0 percent, surpassing the 10.8-percent rate set in the plan.

During the Seventh Five-Year Plan, an increase in output has been noted for most major industrial products in our province. Of the 37 major industrial products listed in the Seventh Five-Year Plan, 24 have met the production targets ahead of schedule. In the raw and semifinished materials industries, agriculture-supporting industry, and household electric appliances industry, output of most major products has overfulfilled the targets set in the Seventh Five-Year Plan. In the energy, machine-building, and electric equipment industries, there is a certain gap between the actual output of some products and their planned targets either because of the unfavorable market condition or as a result of limited resources. In the meantime, with the sustained increase in production, some major industrial products in our province now rank higher in the country in terms of output. A comparison between 1989 and 1985 shows that our province's output of cigarettes remains in fifth place in the country, while silk has risen from eighth to sixth place, and soda ash from the 15th to 10th. Pig iron, steel, rolled steel, coke, sulfuric acid, chemical fertilizers, and gunny bags remain within the top 10.

With the increased investment, the industrial strength of our province has been further boosted, and the scale of industrial enterprises expanded during the Seventh Five-Year Plan. During these five years, close to 200 enterprises have begun to rank among the big- and medium-sized enterprises. This number exceeds the total number of such enterprises developed during the 37 years before the Seventh Five-Year Plan. The number of big- and medium-sized enterprises in our province is estimated to total nearly 380 by the end of 1990.

Xiamen Considering Establishing Joint System

OW0401034691 Beijing XINHUA in English
0224 GMT 4 Jan 91

[Text] Xiamen, January 4 (XINHUA)—The south China port city of Xiamen in Fujian Province is considering the establishment of a joint stock system this year as one measure to advance economic reforms.

The city plans to attract funds from Hong Kong, Macao and Taiwan, by issuing stocks. As part of its efforts, Xiamen will select five well-known enterprises, which are economically efficient, to issue shares on a trial basis.

During 1991 the city will continue its efforts to perfect the contract system, improve the social insurance system, solve the housing problem, and continue the price reform, all in an attempt to improve its economic structure.

Regarding enterprises, the city will direct the flow of production materials to the city's more efficient enterprises, or those producing superior products. In addition, the stronger enterprises will be encouraged to annex failing enterprises. The city will also give full consideration to the expansion requirements of industrial groups.

In rural areas, the city plans to further improve the household contract responsibility system, while at the same time strengthening contract management. Measures will be adopted to advance the establishment of rural co-operative organizations, promote household business activities, and to develop the rural collective economy.

Mao Zhiyong Participates in Construction Work

HK0401075991 Nanchang Jiangxi Provincial Service
in Mandarin 1100 GMT 3 Jan 91

[Text] Today, braving a strong north wind, provincial and city party and government leaders led more than 200 cadres from various provincial and city organs to the construction site of a water conservancy project in (Nanxin) Township of Nanchang County to join some 10,000 peasants in building the project.

The provincial and city party and government leaders participating in building the winter water conservancy project today included: Mao Zhiyong, Wu Guanzheng, Liu Fangren, Lu Xiuzhen, Ma Shichang, Zhang Fengyu, Jiang Zhongping, and others.

A strong and fierce cold wind was blowing on the dam in the (Nanxin) Township. No sooner had the provincial and city leaders arrived at the construction site than they threw themselves into the construction work there. Mao Zhiyong, Liu Fangren, and Lu Xiuzhen were seen wielding spades and shoveling soil. Wu Guanzheng and Zhang Fengyu were seen carrying two baskets of soil on a shoulder pole and walking up to the dam. All the comrades working on the construction site were greatly encouraged upon seeing the leaders working so hard.

Everywhere along the long dam, you could see people working vigorously and enthusiastically.

While working on the construction site, Liu Fangren and Lu Xiuzhen asked (Nanxin) Township party committee Secretary (Cai Yuzhou), who was working alongside of them, about the situation concerning the appraisal of three types of households in the rural areas. Liu Fangren stressed: In appraising three types of households in the rural areas, it is necessary to adhere to positive education, do things in accordance with the party policies, encourage the advanced, and urge the backward to become the advanced.

During a short recess at noon, Wu Guanzheng told reporters: It is necessary to continue to implement the cadre-participating-in-labor system. By participating in labor, cadres can forge close ties with the masses, remold ideology, transform style, and strengthen existing ties between cadres and masses and between the party and masses.

When speaking of building water conservancy projects, Wu Guanzheng said: We must attach great importance to carrying out water conservancy-oriented infrastructural building, work hard rather than waste time, and stress actual results rather than superficial form. We must continue to carry out afforestation, water conservancy works building, and family planning for generations to come to benefit our future generations.

Jiang Chunyun Attends Standing Committee Meeting

SK0301105191 Jinan Shandong Provincial Service in Mandarin 2300 GMT 2 Jan 91

[Text] On the morning of 2 January, the Shandong Provincial CPC Committee held an enlarged Standing Committee meeting to relay and study the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and to discuss suggestions for implementing the guidelines.

Jiang Chunyun, secretary of the provincial party committee, presided over the meeting; and Zhao Zhihao and Lu Maozeng relayed pertinent documents.

Comrades participating in the meeting unanimously considered the Seventh Plenary Session of the 13th CPC Central Committee to be a successful session for democracy and unity as well as an important session to mobilize the whole party and the people of all nationalities throughout the country to struggle for the realization of the second step for the strategic goal of socialist modernization. They maintained: The CPC Central Committee's proposals for formulating the 10-year plan for national economic and social development and the Eighth Five-Year Plan, which were adopted by the Seventh Plenary Session of the 13th CPC Central Committee, set forth the fighting goals and basic principles for the coming 10 years and for the Seventh Five-Year Plan period; defined the priorities, tasks, and policies concerning national economic and social development;

and defined the direction and measures for deepening reform and expanding the scale of openness, on the basis of fully affirming the tremendous achievements scored by our country in carrying out reform, openness, and socialist modernization, on the basis of scientifically summarizing the basic experience gained in building socialism with Chinese characteristics, and on the basis of making a correct analysis of the present situation at home and abroad. Thus, these proposals are a good plan for Marxism as well as a program for us to accomplish the second step toward our strategic goal. They also expressed their complete support to these proposals, and firmly pledged to implement them.

Comrades participating in the session maintained: In the 1980's, our party led the people throughout the country in creating a new situation in socialist modernization and in reformation and openness, successfully realized the first steps of our strategic goal, scored tremendous achievements attracting worldwide attention, and laid a solid foundation for our country's future economic and social development. Striving for the fulfillment of the second step of the strategic goal has a bearing on the long-term stability and order of our country, on the rejuvenation of the Chinese nation, and on the consolidation and development of our country's socialist system. They expressed their determination to closely rally around the party Central Committee, headed by Comrade Jiang Zemin, with a high sense of historical responsibility and with a sense of urgency for these times. They also expressed their determination to unite and lead the people throughout the province to positively propagate and to conscientiously implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee to make due contributions to successfully accomplishing the second step of the strategic goal of our country's socialist modernization.

At this enlarged Standing Committee meeting opinions on relaying and implementing the guidelines of the seventh plenary session of the 13th party Central Committee were discussed, and the following demands on all localities and departments in the province set:

First, all localities and departments should concentrate time and effort on studying the documents thoroughly. At present and in the foreseeable future, from January to March this year in particular, all localities and departments should consider the study of the documents of the seventh plenary session as crucial. Through study, they should seek unity in thinking among cadres at all levels, among the vast number of party members, and among the masses in line with the guidelines of the seventh plenary session.

Second, efforts should be made to comprehensively understand and have a necessary and thorough grasp of the essence of the guidelines of the plenary session. In study, emphasis should be put on solving the following several questions: How to correctly approach the present state at home and abroad, how to seize opportunity to face up to challenges, how to deeply understand the basic

experience gained in building socialism with Chinese characteristics and better execute the party's basic line. In addition, emphasis should be placed on defining the fighting goals and strategic priorities of the coming 10 years and the Eighth Five-Year Plan period, on obtaining a firm grasp of the guiding principles and policies offered by the proposals of the CPC Central Committee, and on strengthening and improving party leadership.

Third, efforts should be made to formulate the province's 10-year program and the Eighth Five-Year Plan on economic and social development by proceeding from reality and in line with the guidelines of the proposals.

Fourth, great effort should be made to propagate the guidelines of the seventh plenary session in an effort to make every household understand them.

Fifth, effort should be made to promote present work, with the guidelines of the seventh plenary session as a strong motivation.

Sixth, investigations and studies should be strengthened to solve some matters bearing on the whole situation, in particular striving for a bumper agricultural harvest, invigorating large and medium-sized enterprises, and maintaining stability.

Present at this enlarged Standing Committee meeting were principal leading comrades of the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference.

Shandong's Yantai Improves Investment Conditions

OW0301195191 Beijing XINHUA in English
0736 GMT 3 Jan 91

[Text] Jinan, January 3 (XINHUA)—Foreign-funded enterprises are booming in Yantai, one of China's open coastal cities in Shandong Province, thanks to further improvements in the city's infrastructure and new regulations which are favorable to investors.

A city official said Yantai has 248 foreign-funded enterprises with foreign investment totalling 230 million U.S. dollars and accounting for one fourth of Shandong's total.

So far, 100 enterprises have gone into operation, exporting 36 million U.S. dollars-worth of goods in 1990, up 34 percent over the previous year.

According to a survey, 17 out of the 100 enterprises have together invested an additional 10.94 million U.S. dollars in their businesses in an effort to expand production.

The official noted that during the past year, the city spent more than three billion yuan to improve its communication and telecommunication facilities, energy

development, and economic and technical development zone, while issuing a dozen local regulations and rules to encourage foreign investment.

With the improved investment environment, many foreign business people have built successive enterprises in Yantai, leading to the evolution of management characteristics from joint venture and co-production to those that are funded solely with foreign investment.

Zhejiang Foreign Exchange Sees Brisk Business

OW0401124691 Beijing XINHUA Domestic Service
in Chinese 0940 GMT 3 Jan 90

[By reporter Lin Nan (2651 2809)]

[Text] Hangzhou, 1 Jan (XINHUA)—The Foreign Exchange Center of Zhejiang Province has achieved excellent results in offering more opportunities to export-oriented enterprises and "three kinds of enterprises that are either partially or wholly foreign-owned" for the accommodation of foreign exchanges by breaking off self-imposed limits and expediting the turnover period for working funds. In 1990, its working funds of foreign exchanges amounted to \$800 million, a sharp increase of 78 percent over 1989.

The center was founded at the end of 1987. In the past, it was mainly aimed at regulating supply and demand of foreign exchanges among enterprises and institutions in the province. With the increase of export business in Zhejiang, however, the portion of foreign exchange retained by export-oriented enterprises have enlarged more than two times while renminbi working funds are in short supply. To solve this problem, the center took every possible way to open up horizontal accommodation channels. It expanded its business by sending representatives to Guangdong, Hainan, and other provinces to establish contacts with its counterparts there. So far, it has established business relations with other banking facilities in more than 20 provinces and cities. The center expedited the turnover period for working funds by transferring surplus foreign exchange to other provinces. Last year, the center transferred \$470 million in foreign exchange to other provinces in exchange for the renminbi working funds. Particularly, it helped a group of enterprises transfer out of the province \$18 million in foreign exchange and solved the accommodation problem of the working funds in RMB 78.54 million. By utilizing and assimilating the surplus foreign exchange, the center helped these enterprises enhance their overall operation ability.

The center also fairly improved the investment environment for foreign businessmen by providing \$1.2 million in accommodation to some enterprises for investing in production and remitting to other countries the benefits earned by foreign investors.

It was learned that, since its founding three years ago, the center has handled an accommodation trade volume of \$1.5 billion in foreign exchange in exchange for nearly RMB 6 billion.

Southwest Region

Tibet Enjoyed 'Stable Political Situation' in 1990

OW0401045591 Beijing International Service
in Mandarin 0900 GMT 3 Jan 91

["Roundup: Tibet Enjoyed a Stable Political Situation and Recorded Economic Development in 1990"; from the "Report on Current Affairs" program]

[Text] The past year has been one in which Tibet enjoyed a stable political situation and recorded steady economic development, and during which the people enjoyed a peaceful and happy life.

As early as 1 May, the State Council lifted martial law in Lhasa. This indicated the stable political situation in Lhasa and in the whole region of Tibet. In the past year, the social situation in Lhasa and in other parts in Tibet was stable. Economic construction and other social undertakings recorded steady development. News throughout the year reported that this autonomous region, like many other provinces of China, achieved another record harvest in 1990, with total grain production reaching 555,000 tons, surpassing the 1989 record by 20,000 tons. The local government in the region, one of China's five pastoral areas, has managed to recover losses that resulted from heavy snow early in the year. The output of meat totaled 93,000 tons, while milk output reached 180,000 tons, registering some growth over the figures in 1989. It is estimated that the total agricultural output value in 1990 amounted to 789 million yuan, a 4.4 percent increase over 1989. The per capita income of farmers and herdsmen increased from 397 yuan in 1989 to 415 yuan in 1990.

Total industrial output value is expected to reach 235 million yuan in 1990, topping 1989's figure by 6.3 percent. Power generation in the whole year equalled 310 million kwh, and 87,000 tons of mineral ores were extracted. In addition, 100,000 meters of wool fabrics were produced.

A total of 649 million yuan of investment in social fixed assets was realized. Of the 13 key construction projects that have been included in the plan of the autonomous region, the (Quda) section of the Sino-Nepalese Highway, the (Souding) section of the (Heichang) Highway, the renovation project of ramshackle citizens' houses in the old quarters of Lhasa, and other projects have been completed or become operational. Construction at the expansion project at the (Gongga) Airport, (Yangpu) power station, and (Lubusha) chromium mine, and the comprehensive development project of Lhasa valley has been stepped up and is proceeding smoothly.

Throughout 1990, Tibet further implemented the policy of opening to the outside world. It expanded economic and technological exchanges and cooperation with the outside world and stepped up transregional economic cooperation. The total import-export amount was \$36.08 million in 1990, an increase of 17.6 percent over the previous year. Border trade reached 75 million yuan, an increase of 7.1 percent over the previous year. According to incomplete statistics, Tibet signed 83 cooperative contracts with other provinces, of which 47 are now operational.

Tourism rose, with over 9,000 foreign travellers visitors visiting the region, 1.3 times that of 1989. The government has further lifted restrictions on foreigners visiting Tibet. Individual visitors also are allowed to enter Tibet for sightseeing.

In 1990, Tibet witnessed varying degrees of development in the areas of education, science, technology, culture, public health, sports, and other undertakings. Tibet's ethnic culture was further restored and developed. The state specifically allocated over 35 million yuan to the region for repair work on the Potala Palace. The first stage of the project has been completed and engineering projects of the second stage renovation are progressing smoothly. In addition, the basic engineering project to build a stupa in Xigaze to commemorate the 10th Panchen lama has been completed, and the main engineering of this project will be started in early 1991. For this project, the state has allocated special funds amounting to 64.06 million yuan. The Tibetan masses' freedom to practice religion also has been protected. Over 1,400 monasteries in the region have been renovated and opened to the public. Regular religious activities in all parts of the region are proceeding as before.

Yunnan Secretary Views Provincial Exhibits

HK0401092391 Kunming Yunnan Provincial Service
in Mandarin 1000 GMT 3 Jan 91

[Excerpts] Before the arrival of the new year, this reporter accompanied Pu Chaozhu, (Liu Ronghui), Li Guiying, Bao Yongkang, and some other party and government leaders to see some of the provincial exhibits to be displayed at the forthcoming national exhibition of science and technology for promoting agricultural development, which will be held in Beijing.

The most attractive exhibit concerning grain production was the experiences of Dehong Dai-Jingpo Autonomous Prefecture which had reaped good grain harvests for 10 successive years. The Dehong Dai-Jingpo Autonomous Prefecture had conscientiously implemented the principle of promoting agricultural development by relying on science and technology. The leaders at all levels of the prefecture had taken the lead in studying and applying science and in popularizing farm-oriented technologies. More than 95 percent of the townships of the prefecture had set up farm-oriented technology centers. More than

5,000 households specializing in farm-oriented technologies had emerged in the prefecture. As a result, the prefecture's total grain output had gained a 53-percent increase over 10 years.

With Dehong Dai-Jingpo Autonomous Prefecture taking the lead, the rest of Yunnan Province followed suit immediately. Cadres and people of all nationalities across the province continuously heightened their understanding of the importance of grain production development and made active efforts to popularize and apply advanced science and technologies. As a result, our provincial grain output increased year in and year out. Over a period of 10 years, our province's total grain output gained a 15.6-percent increase, while our province's average per unit area yield increased by 32 kilograms. Our province was awarded more than 400 prizes for inventing and popularizing farm-oriented technologies, 34 of which were state or ministerial prizes. [passage omitted]

According to the preliminary statistics, Yuxi Cigarette Factory realized taxes and profits totalling more than 3.2 billion yuan last year, representing an increase of 1.2 billion yuan over 1989.

Cane sugar production is another economic advantage of our province. Over a period of 10 years, our provincial cane sugar output increased by more than 200 percent. Our province now supplies cane sugar to all parts of the country.

Tea is a traditional special product of our province. During the Seventh Five-Year Plan period, our province built 0.88 million mu of tea plantations and eight export-oriented tea production bases. Last year, our province earned more than \$30 million in foreign exchange through tea export, and the total income of peasants specializing in tea production exceeded 200 million yuan. [passage omitted]

After seeing the exhibits, Pu Chaozhu, Li Guiying, and other leading comrades gladly said: These are good exhibits that reflect the great achievements of our province's decade-long rural reform, display the wisdom, talents, and labor fruit of the cadres and people of all nationalities in our province.

Northeast Region

Heilongjiang Holds Meeting on Economic Development

SK0401014991 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 29 Dec 90

[Excerpts] On the morning of 29 December, the provincial party committee held a telephone conference, calling on all localities and departments across the province to firmly grasp the general discussion on promoting stable economic development until good results are achieved. Zhou Wenhua, deputy secretary of the provincial party committee, gave a speech. He said: We should consider

the general discussion as the crucial link in implementing the Eighth Five-Year Plan and the 10-Year Plan. It is a breakthrough for comprehensively implementing the suggestions of the provincial party committee on economic development. It is the material for extensively conducting education on quality, variety, and efficiency activities. It is the opening gong and drum for urging the higher and lower levels throughout the province to make the commodity economy successful during next year. We should grasp the work firmly until good results are achieved.

Zhou Wenhua noted: Generally speaking, the progress of the province-wide general discussion on promoting stable economic development is quite rapid and the development is fairly sound. Now, this work has been developed from a stage of ideological mobilization to a stage of pooling the wisdom and efforts of everyone to offer plans for stable economic development. A gratifying situation in which cadres and the masses across the province have actively participated in the general discussion and have eagerly made contributions to economic development has emerged. The previous stage of general discussion has played an active role in unifying thinking, enhancing spirit, renewing concepts, and promoting production. Meanwhile, we should recognize that there are still some problems in the general discussion work. The principal ones are: A few party and government leading cadres have failed to fully understand, to pay much attention, and to take quick action in the work. Some localities have failed to pay attention to ideological mobilization. More often than not, they can only judge a case as it stands. They have failed to closely combine the discussion with the reality of the work. The problem of dwelling on the abstract to avoid real issues exists. The phenomena in which some departments have proceeded in their work simply because of departmental interests and have failed to seek mutual coordination and to combine departmental interests with the interests of the whole situation have occurred frequently. To deepen the next step of general discussion, we should particularly grasp well the following four aspects of work:

First, we should conduct ideological mobilization throughout the general discussion. We should take the spirit of the seventh plenary session of the party Central Committee as the guideline to further unify the whole party's thinking.

Second, we should creatively implement the various central principles and policies, and conscientiously implement our province's 50 policies and some suggestions on economic development. Party committees and governments at all levels and all localities and departments should foster the ideas of taking the whole situation into account and serving the grass roots. They should adhere to the suggestions and the 50 policies of the provincial party committee in terms of ideology and action, consider them as a definite goal, and implement them quickly. [passage omitted] Third, all localities should focus their work on the activities of the quality, variety, and efficiency year; proceed with the work from

each respective trade and profession; conduct activities to make the quality meet the standards; carry out professional training and tackle technical problems; extensively conduct socialist labor emulation drives in various sectors and at various levels; and, based on this, mobilize the masses to serve the market. They should do a good job in readjusting the product mix, production set-up, and organizational structure. [passage omitted]

Fourth, we should carefully organize the work and strengthen leadership.

According to the original arrangements, only fewer than 100 days are left for the general discussion on promoting stable economic development. The provincial party committee has decided not to extend the time for the work. The scheduled goal must be attained. This requires the party and government leaders at all levels, particularly the principal leading comrades, to give strategic importance to the overall situation, to assume personal leadership, and to grasp the work on the major fronts.

At the telephone conference, Zhou Wenhua, deputy secretary of the provincial party committee, also made specific demands on improving the current social security and improving safety work.

Harbin Educational Development, Endeavors Reported

SK0401105991 Harbin Heilongjiang Provincial Service in Mandarin 2300 GMT 3 Jan 91

[Text] During the Seventh Five-Year Plan period, the province made big headway in educational undertakings. According to the figures provided by the provincial Statistical Bureau, in the past five years, the province trained a total of 148,000 college graduates, overfulfilling the target set by the Seventh Five-Year Plan; and trained a total of 134,000 graduates of specialized secondary schools, an increase of 49 percent over that of the Sixth Five-Year Plan period. In addition, the secondary vocational and technical education has witnessed great development.

The province has been in a leading position in the country in development of higher professional schools. In the past five years, the province provided the society with a total of 470,000 graduates from higher professional schools. Development of the higher professional schools has not only changed the structure of secondary education, but also improved the cultural quality of the reserve forces of labor.

During the Seventh Five-Year Plan period, the province enhanced basic education and steadily developed adult education. By the end of 1989, the enrollment rate of school-aged children reached 99.04 percent; and most localities began carrying out compulsory primary school education. Adult education also progressed thanks to consolidation. By the end of 1989, the adult higher and secondary schools had a total enrollment of 200,000 students.

Microwave Communications During 7th Plan Viewed

SK0401105791 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 3 Jan 91

[Summary] During the Seventh Five-Year Plan period, construction of microwave communications facilities developed rapidly in Heilongjiang Province. Thus far, some 2,000 long-distance microwave circuits have been made available throughout the province, accounting for more than 50 percent of the province's total number of long-distance telephone lines.

In 1986, the province began building its northeast microwave communications network covering six prefectures and cities. Two years later, the province completed building 20 microwave stations, and opened 1,800 unmanned imported microwave communications facilities, thus basically relieving the burden on the long-distance communications service in Mudanjiang, Jiamusi, Hegang, Shuangyashan, Jixi, and Qitaihe. As of 1988, the province's microwave communications network had developed from four microwave stations and 160 km of communications lines to 30 microwave stations and 1,500 km of communications lines.

In 1989, cadres and workers of the provincial microwave communications headquarters independently designed, inspected, and began installing the northwest microwave communications network. Thus far, the province has already completed the tasks of surveying, designing, and building water, power, and road facilities, and installing water towers and earthen construction for this microwave line which will cover a total length of 1,500 km, over 25 cities and counties, and will encompass 51 microwave stations.

In addition, construction of the Harbin ground communications satellite station began last year. This station will be able to utilize the international communications satellite at 66 degrees E above the Indian Ocean to carry out communications with Beijing, Shanghai, Guangzhou, Urumqi, and Hohhot. By the end of this year, construction of the province's northwest microwave network and the Harbin ground communications satellite station will be completed. At that time, the province will have 80 microwave stations and 3,000 km of microwave lines, and will give rise to a microwave communications satellite network which will be centered in Harbin, will spread all over the province, and will be linked with the rest of the country.

Special Economic Zone To Open in Suifenhe

SK0101155491 Harbin Heilongjiang Provincial Service in Mandarin 2000 GMT 31 Dec 90

[Text] Our country will establish a new special economic zone at the northeast border contiguous to the DPRK and the Soviet Union. It is the first special economic zone besides the coastal one in southern China and is initially designed by the state at Suifenhe City in Heilongjiang Province.

He Zhukang Relays Seventh Plenum Guidelines

SK0401071491 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 3 Jan 91

[Text] On the morning of 3 January, the provincial party committee held an enlarged Standing Committee meeting to relay and study the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee. Comrades He Zhukang and Wang Zhongyu relayed the guidelines. Participants held preliminarily discussions on the guidelines in close connection with the reality of our province, and thus achieved common understanding on many issues.

The meeting's participants maintained: It is extremely significant that the Seventh Plenary Session of the 13th CPC Central Committee was held at the important moment when the two 10-year programs dovetail and the two five-year plans dovetail. The seventh plenary session is a session devoted to seeking truth from facts and carrying forward democracy, devoted to enhancing people's morale and confidence, devoted to promoting common understanding and strengthening unity, and devoted to mobilizing the people to struggle for the fulfillment of the second strategic goal of our country's socialist modernization. The CPC Central Committee's proposals for formulating the 10-year program for national economic and social development and the Eighth Five-Year Plan, which were examined and approved by the Seventh Plenary Session of the 13th CPC Central Committee, are programmatic documents which guide the people of all nationalities throughout the country to forge ahead continuously, and are an example of integrating theory with practice. Thus, we completely support these proposals, and will firmly implement them.

Participants maintained: The second strategic step toward our country's socialist modernization, set forth by the Seventh Plenary Session of the 13th CPC Central Committee, is in complete agreement with the condition of our country. With the correct leadership of the CPC Central Committee, headed by Comrade Jiang Zemin, along with extensive, valuable experiences in socialist construction, reform and openness, accumulated during the 1980's, and with the mass unity of the whole party and the people of all nationalities across the country, and with the people's firm democratic dictatorship, it is certainly possible for us to accomplish, through great efforts, the goals and tasks set forth by the seventh plenary session. The offering of the CPC Central Committee's proposals indicates that China's Communists are still aware of the superiority of socialist construction, and that our country's socialist modernization has entered a new stage of development.

The enlarged Standing Committee meeting demanded: Studying and implementing the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee is an urgent task for party organizations at all levels and for people throughout the province. We should further enhance our understanding and unify our

ideas, and should conscientiously study and relay the documents of the seventh plenary session in connection with the study of Marxist philosophy and the scientific theory of socialism. Cadres at all levels should take the lead in studying these documents, and should conscientiously think over these documents in connection with reality. We should match the implementation of the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee with the implementation of the guidelines of the sixth plenary session of the fifth provincial party committee. We should enhance our spirit, strengthen our confidence, work hard with one heart and one mind, make great efforts to develop social productivity, try every possible means to boost the economy, and struggle for stabilizing and developing Jilin and for successfully accomplishing the 10-year program and the Eighth Five-Year Plan.

Quan Shuren Participates in Manual Labor

SK0401010991 Shenyang LIAONING RIBAO
in Chinese 19 Nov 90 p 1

[By reporter Li Dan [2621 0030]: "To Make Agricultural Construction a Success, Leaders at All Levels Should Take the Lead"]

[Text] On the afternoon of 17 November, Quan Shuren, secretary of the provincial party committee; and Yue Qifeng, acting governor of the province, as well as some leading comrades, including Sun Qi, Wang Julu, Xu Wencai, Xiao Zuofu, Li Jun, and Li Qisheng, who had participated in the forum on accelerating the economic development of the counties and townships along the Shenyang-Dalian Highway, travelled to Chengyingzi Village in Bali Town southeast of Haicheng City to participate in the manual labor of building terraced fields together with the masses.

Here was the key project of the farmland construction of Bali Town. In the morning, more than 10 thousand people from the town came to the village several kilometers away to build terraced fields. After a two-day battle, the project of building 500 mu of terraced fields was nearly concluded. Quan Shuren, Yue Qifeng, and other leaders dug earth and filled pits with shovels. Their enthusiastic manual work made the battle here progress another step.

This year Haicheng City reaped a bumper agricultural harvest. The gross grain output reached 560 billion kg, an increase of 17.5 percent over last year; the agricultural income, 580 million yuan, an increase of 18 percent; and the per-capita income of peasants, 1,000 yuan, an increase of 5.3 percent. After reaping a bumper harvest, leaders and office cadres of the Haicheng City party committee and the city government made continuous efforts, and led the masses to immediately plunge into the battle of agricultural construction, thus arousing the initiative of peasants. The city actually invested 23 million yuan, though the planned investment in this regard was only 17.09 million yuan, in building 367

bridges and culverts, in completing the 12,000 mu of low-pressure-pipe irrigation project, and in building 1,600 mu of terraced fields, 50,000 mu of terraced fruit tree fields, and 50,000 mu of ordered paddy fields.

At the worksite, after hearing the report made by Fu Kecheng, secretary of the Haicheng City party committee, Quan Shuren and Yue Qifeng affirmed Haicheng City's profound understanding and rapid action in building farmland irrigation works. While leveling the ridges with a shovel, Yue Qifeng said to Liu Zhongchen, secretary of the Bali Town party committee: When building terraced fields on hillsides, the best way is to plant small trees on the ridges so as to prevent soil erosion and improve the capacity of resisting calamities and ensuring harvest.

After finishing their work, Quan Shuren requested that he see the situation of other places. Then, these leaders drove to Dongchaotie Village in Pailou Town to inspect the situation of crop and fruit fields. When standing on a hilltop to look around the improved terraced fields, and on hearing that in this village there were pines and cypresses on hilltops, flowers and fruits were fragrant on hills, and rice and grains were growing well on hillsides, these leaders praised the village for its reasonable land utilization. On seeing the 900 mu of terraced fields on the stone dam of Songjiabao Village, Quan Shuren said: At present, agricultural construction has been carried out throughout the province in a comprehensive manner. The key to this construction is to strengthen the capacity of fighting calamities, droughts, and waterlogging. Meanwhile, attention should be paid to improving efficiency. Leaders at all levels should take the lead in participating in manual labor, and should strive to protect peasants' initiative so that agricultural construction will be carried out in an even more solid manner with even more fruitful results.

Northwest Region

Qinghai Appoints New Vice Provincial Governor

HK0101081491 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 29 Dec 90

[Text] The 18th meeting of the provincial People's Congress Standing Committee concluded yesterday [29 December] afternoon in Xining after fulfilling various items on the agenda. The meeting has decided to appoint Cai Zhulin vice provincial governor of the Qinghai people's government. Vice Chairman Gansu Bulong presided over the meeting. Thirty-five members attended the meeting, and this constituted a quorum at the meeting.

Participants of the meeting first listened to an explanation made by (Zheng Sancheng), deputy director of the Nationality Affairs Committee under the provincial People's Congress, on the examination and discussion of the revision of the autonomous rules and regulations of

Datong Hui and Tu Autonomous County. After that, they approved the rules and regulations which will be enforced as of 1 July 1991.

(Ji Changan), deputy director of the Financial and Economic Committee under the provincial People's Congress, gave an explanation on the revision of the rules and regulations on afforestation of the north and south mountains in Xining City. These rules and regulations were also approved. They will be promulgated by the Xining City People's Congress Standing Committee for enforcement.

Participants voted for a resolution on strengthening protection of the ecological environment. The resolution calls on state organs at all levels, social organizations, enterprises and institutions, Army units, schools, residential districts, villages, towns, and residents to understand the importance of our national policy of protecting the environment, and coordinate their efforts to do well environmental protection work to make contributions to protecting ecological environment, and promoting social and economic development.

The meeting also approved the report of the provincial government, and decided to use provincial public money in a sum of 20 million yuan to readjust the 1990 financial budget approved by the third meeting of the seventh provincial People's Congress.

The meeting discussed appointments and removals of personnel. It was decided by vote to appoint Cai Zhulin vice provincial governor of the provincial government, and (Lin Shiping) director of the provincial Light and Textile Industrial Department. It was also decided to remove the posts of Bian Yaowu as vice provincial governor, and (Yang Li) as director of the provincial Light and Textile Industrial Department.

Huanjue Cenam, Lu Shengdao, Xabchung Garbo, Xie Gaofeng, Yang Wenjin, and Yang Maojia attended the meeting.

Those who attended the meeting as nonvoting delegates included Bian Yaowu, (Wen Fuxiang), (Ma Youguang), (Yun Baohua), (Liu Guanghe), and responsible persons of the relevant departments.

Zhang Boxing at Social Science Award Meeting

HK3112013390 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 25 Dec 90

[Text] The meeting to celebrate the 10th founding anniversary of the provincial Social Sciences Association and the third provincial meeting to award prizes to those who have made outstanding achievements in social scientific research were jointly held in Xian a few days ago.

Provincial party committee Secretary Zhang Boxing; provincial Advisory Committee Chairman Zhang Ze; Li Xipu, provincial People's Congress Standing Committee

chairman; Wang Jucai, provincial party committee propaganda department head; and other leading comrades were on hand.

Zhang Boxing and other leading comrades stressed at the joint meeting: Social scientific workers should have firm confidence in socialism, work hard to propagate and defend Marxism, regard Marxism as their guide, apply theory to reality, and study major problems in building material and spiritual civilization or those of popular concern to better serve the modernization drive.

The meeting commended and awarded prizes to 254 highly rated achievements in social scientific research and 134 active social scientific workers.

Shaanxi Party Committee Urges Socialist Education

*HK0401141791 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 4 Jan 91*

[Excerpts] Yesterday, the Shaanxi Provincial CPC Committee issued a decision on unfolding socialist ideological education in the rural areas across the whole province.

The decision pointed out: Since the Third Plenary Session of the 11th CPC Central Committee, our province's rural reform has been continuously deepened. As a result, our province's rural economy has developed rapidly while our people's livelihood has improved significantly. Moreover, great changes have also taken place in the attitudes of cadres and masses. The overall situation in the rural areas is excellent. [passage omitted]

The guiding ideology for unfolding socialist ideological education in the rural areas is: To implement and carry out the party's basic line, adhere to economic construction as the center, concentrate on ideological education, aim at strengthening grassroots organization building, tackle thorny problems in the rural areas, strengthen the building of various systems, and push ahead with rural reform, as well as the healthy development of the double-track economy.

The main tasks of ideological education in the rural areas are: To carry out in-depth education on the party's basic line and basic rural policies, as well as on patriotism, collectivism, and socialism among the broad masses of party members, cadres, and people, and on the basis of

which, to rectify grassroots organizations in the rural areas, rectify collectively owned property, rectify social order, perfect the double-tier operational system, and expand the collective economy in the hopes of heightening the ideological consciousness and boosting the production enthusiasm of the broad masses of party members, cadres, and people, as well as bringing about fundamental economic and social changes in the rural areas. The socialist ideological education in the rural areas should be completed within the next three years starting from this winter. [passage omitted]

The decision stressed: In carrying out socialist ideological education in the rural areas, it is necessary to strictly implement the party policies, draw clear lines of demarcation in applying various policies, adhere to the party's mass line, rely on the party organizations at all levels and the broad masses of party members, grassroots cadres, and peasants, focus on positive education and self-education, ban indiscriminate punishment of cadres and masses, aim at tackling hot-spot and thorny problems which cause great concern among the masses, and further strengthen ties between the party and the broad masses of people by carrying out work in a down-to-earth manner and by tackling thorny problems. [passage omitted]

In rectifying social order in the rural areas, all the work teams must carry out work within the limits of the law and strictly implement the party's religious policies. [passage omitted]

The decision finally pointed out: The propaganda departments and the media should also actively participate in and closely cooperate with socialist ideological education activities in the rural areas. The party committees at all levels must practically and effectively strengthen leadership over socialist ideological education in the rural areas. The provincial, prefectural, city, and county authorities should set up leading groups to take charge of work in this regard and should be responsible for deciding on and handling major issues in this regard. The party committees at all levels must place socialist ideological education in the rural areas high on their agendas, regard it as a matter of great importance in rural work, carry out work in a creative manner, meticulously organize work, provide categorical guidance over work, strengthen implementation, and strive to achieve tangible results in this regard.

Unification Forum Editor Views Reunification

*OW0301152191 Beijing in Mandarin to Taiwan
0205 GMT 31 Dec 90*

[Part one of an interview with Miao Qing, chief editor of TONGYI LUNTAN (UNIFICATION FORUM), by Ming Liang, host of the "Rambling Talk on Current Events" program—monitored in progress]

[Text] [Ming] A million Taiwan compatriots have visited the mainland and exchanges in various fields have been frequent and uninterrupted, showing the spirit of a galloping horse. The year of the horse is indeed a memorable one. However, we pin more hopes on the year of the sheep. Now, dear listeners, I have here with me today Mr. Miao Qing, chief editor of TONGYI LUNTAN [UNIFICATION FORUM], a publication of the China Council for Promoting Peaceful Reunification, to do some talks on reviewing the year of the horse and looking forward to the year of the sheep. Alright, if you would please speak up.

[Miao] Of course. First of all, I would like to extend my New Year greetings to all listeners, wishing them a happy New Year. Reviewed as a whole, the year of the horse saw better relations between two sides of the strait than ever before with some new developments. This is the result of joint efforts made by the people across the strait.

[Ming] Can you be more specific?

[Miao] Yes. Over the year, the development of relations across the straits was characterized by the following five special points.

[Ming] What are the five special points?

[Miao] First, the number of visitors to the mainland from Taiwan has increased markedly. People came to the mainland to visit relatives, for sight-seeing, business, and fact-finding trips. The number of those who came under cultural, artistic, publishing, sports, scientific and technological, and academic exchange programs also increased notably. The press and journals have carried quite a lot of these reports, as all may notice.

[Ming] Yes.

[Miao] Second, the quality of the mainland visitors has improved. They included not only famous journalists, scholars, and experts, but also high-ranking party officials. They came either in their personal capacities or organized delegations under different names, visiting such places as Beijing. Though they might have had their own individual motives, what they saw, inquired of, listened to, and thought about during their stay here will, after all, be beneficial toward improving relations across the strait and deepening mutual understanding.

[Ming] Yes. Contacts are always conducive to relations across the strait, is this not so?

[Miao] Yes.

[Ming] Then, chief editor, what is the third point that you are going to mention?

[Miao] The third point is the emergence of a situation in which both sides shout to each other across the strait and hold indirect dialogue. In his inaugural speech on 20 May, Mr. Li Denghui [Li Teng-hui] put forward his plan for national reunification. This was the first positive response from the Kuomintang over the past 10 years to the appeal for China's peaceful reunification. He said that Taiwan and mainland are inalienable territory. He also suggested the establishment of a channel whereby both sides can communicate. People should be very glad to hear such words.

[Ming] He also set three preconditions.

[Miao] Yes, which is highly regretful. He lacked some sincerity, especially when he put forward the three preconditions for contacts, communications, opening to visitors, and exchanges between the two sides of the strait. It gave people the impression that the door which had just been opened was closed immediately with three more bolts added to. What a wet blanket this is.

[Ming] Yes, what a wet blanket.

[Miao] In his important statement on the settlement of the Taiwan issue, Jiang Zemin, general secretary of the CPC Central Committee, solemnly criticized the Taiwan authorities' policy of one country, two governments. After that, high level personages in Taiwan denied that they have ever said or mentioned the words one country, two governments. At the end of August, the executive authorities in Taiwan again raised the concept of one country, two regions in handling civil law relations between the peoples across the strait. In a rebuttal to this, a spokesman of the State Council's Office of Taiwan Affairs pointed out in a statement that one country, two regions and one country, two governments are in essence the same thing.

[Ming] This is merely a change in wording. The essence is all the same.

[Miao] In September, while meeting the reporter of Taiwan's ZHONG GUO SHI BAO [CHUNG KUO SHIH PAO], President Yang Shangkun gave a brilliant exposition on questions that are of interest to both the ruling circle and the general public in Taiwan. He proposed that the two sides of the Taiwan Strait be reunified as soon as possible on the formula of one country, two systems, and that the CPC and the Kuomintang should hold peace talks unconditionally. He also emphasized that three exchanges [the exchange of mail, trade, and air and shipping services] would benefit both sides of the straits. At present, what we need the most is communications.

On the question of establishing a channel for direct talks, two hopes are laid on Taiwan. It is hoped that not only the authorities but also the people, and Mr. Li Denghui, will promote the cause of reunification. Participation of

mass organizations in the talks is welcome. Opinions of all sectors should be solicited in a bid to seek consensus. Within the Kuomintang, heated debates are continuing on the questions of whether negotiations between two sides of the strait should be held and in what way the negotiations should be conducted. It is gratifying that some insightful high-level Kuomintang figures have, for the first time, openly expressed their support for the Kuomintang and the CPC to have contacts and talks at a suitable time. This is an important change of positive significance.

[Ming] This is why Taiwan newspapers say that although the two sides across of the strait cannot hold a direct dialogue now, they have been shouting to each other across the strait and holding indirect dialogues.

[Miao] Yes. In fact, this is the start of political relations between the two sides. Their reciprocal relations are growing.

[Ming] Yes.

[Miao] Fourth, economic relations and trade between the two sides have developed rapidly. Since the beginning of 1990, the volume of indirect trade between the two sides has increased. Moreover, the current trend of relying mainly on indirect trade is gradually becoming a trend of relying mainly on investment. New changes have taken place in the Taiwan compatriots' investment in the mainland. The first change is that the size of investment, which used to be mostly on the level of small- and medium-sized enterprises, is becoming larger step by step. A trend of investing in enterprises of all sizes, including large enterprises, has emerged. The second change is that some Taiwan businessmen have shifted from short-term business operations to long-term business operations, and are looking further ahead. The third change is that the number of enterprises wholly owned by Taiwan investors has increased remarkably, and that such enterprises are gradually developing from the coastal regions toward the inland regions.

[Ming] Mr. Miao, not long ago the representatives from the Red Cross Societies of the two sides held talks and reached some agreement. Do you have any comments on this event?

[Miao] This is the fifth point I would like to discuss. The representatives from the Red Cross Society of the two sides held talks on the issue of repatriation by sea and reached a relevant agreement on 20 September 1990 in Jinmen. It is gratifying that the two sides have begun to implement the agreement. Generally speaking, the relations between the two sides have entered a new stage of development, showing that the exchanges between the two sides are becoming more and more frequent and the scope of exchanges is being enlarged. The one-way, indirect, and nongovernmental relationship is becoming a two-way, direct, and governmental relationship. The pure business exchanges are developing toward exchanges in specialized fields. The willingness to identify with each other and reach a common understanding

between the two sides are becoming greater and greater. This is very conducive to laying a foundation for peaceful reunification. However, the stalemate in key issues has not yet been broken, and it is difficult to break.

[Ming] You have pointed out a very important problem. Why can't it be broken, and what do you think is the crucial reason?

[Miao] In my view, the present stalemate is caused by the Kuomintang's lack of sincerity and its unwillingness to hold talks with the CPC on a reciprocal basis. The crux of the matter is that the Taiwan authorities are pursuing a policy aimed at peace but not at reunification, a policy with a separation tendency centered on one country, two governments, and elastic diplomacy. There are always some people who advocate the so-called Taiwan experience, conduct political infiltration against the mainland, and vainly attempt to swallow up the mainland and achieve reunification in favor of the Kuomintang in support of the Western imperialists' strategy of peaceful evolution. They are indeed overestimating their own strength.

[Ming] Dear listeners, we will broadcast the rest of Mr. Miao's talk tomorrow because we are running out of time. Please continue to tune in then. Goodbye.

Further on Editor's Discussion

OW0401042291 Beijing in Mandarin to Taiwan
0205 GMT 1 Jan 91

[Part two of an interview with Miao Qing, chief editor of TONGYI LUNTAN (UNIFICATION FORUM), by Ming Liang, host of the "Rambling Talk on Current Events" program]

[Text] [Ming Liang] Dear listeners, today is New Year's day, the first day of year of the goat. I wish all listeners good health and a prosperous new year.

[Miao Qing] "I also wish all Taiwan compatriots a happy new year!"

[Ming Liang] Dear listeners, if you listened to our "Rambling Talk on Current Events" program yesterday, you probably already recognize the voice of the gentleman who just extended his New Year greetings to you. He is Mr. Miao Qing, chief editor of the TONGYI LUNTAN of the China Council for Promoting Peaceful Reunification. Yesterday, he summed up the development of relations between the two sides of the strait in 1990. Today, I would like to ask him to continue his talk.

[Ming Liang] Mr. Chief Editor, I feel that your summing up of the past and looking ahead to the future is a very long one. You see, you have been talking from 1990 to 1991!

[Miao Qing] How true that is!

[Ming Liang] I hope that the process of our motherland's reunification will not be so long. It should be shortened.

[Miao Qing] You are right.

[Ming Liang] Chief Editor Miao, I heard that you participated in two seminars in Hong Kong sponsored by nongovernmental organizations of both sides of the strait in July 1990. Could you tell us what you achieved at these seminars?

[Miao Qing] Sure. The China Council for Promoting Peaceful Reunification and the Alliance for the Reunification of China, in an effort to promote China's peaceful reunification, jointly held a seminar on the relations between the two sides of the strait in Hong Kong from 16 to 18 July 1990. From (?20) to 22 July 1990, the former also held a seminar on the relations between the two sides of the strait and peaceful reunification in Hong Kong. Attending the seminars were Taiwan's Society for China's Peaceful Unification, the China Council for Promoting (?Peaceful) Reunification, the Great Alliance for the Peaceful Reunification of China, and the All-Chinese People's Patriotic Society, as well as representatives of some organizations in the United States for promoting China's peaceful reunification. The discussions in the TONGYI LUNTAN in the past with our friends at home and abroad on China's peaceful reunification may be just engagement in empty talk, but the face-to-face seminars jointly held by nongovernmental organizations of the two sides of the strait to discuss the issue are the first of its kind in the past 40 years and more. The seminar communique issued by the China Council for Promoting Peaceful Reunification and the Alliance for the Reunification of China points out: Bringing about the nation's peaceful reunification is a task for the Chinese people of this generation for the sake of our national culture, the mutual interests and benefits of compatriots on the both sides of the strait, and national unity and rejuvenation.

[Ming Liang] So the task is on the shoulders of the Chinese people of this generation.

[Miao Qing] Yes. All of us held that two-way direct exchanges and cooperation between the two sides of the Strait in economic, scientific, technological, educational, academic, cultural, art, and sports fields are a prerequisite for the nation's peaceful reunification. This prerequisite must be fulfilled at an earlier date. We suggested that political parties and nongovernmental organizations on both sides of the strait support talks between the CPC and Chinese Kuomintang on an equal basis, without preconditions, and on the premise of one China. Taiwan people, who are traditionally patriotic and anti-imperialist, will definitely join compatriots on the Chinese mainland in striving for the nation's peaceful reunification and in struggling to become the master of the country.

In his closing address, President Qian Weichang stressed that the task of nongovernmental organizations is to promote the peaceful reunification process. They will build bridges and pave the way to peaceful reunification and promote conciliation between the Kuomintang and

the CPC at an early date to realize China's peaceful reunification. Our seminar may be described as an effort to beat the drum for reunification.

[Ming Liang] It played a stimulating role.

[Miao Qing] Correct. At the seminar some participants from Taiwan proposed that this kind of seminar be held in 1991. The seminar, they said, should take place in Taiwan. This proposal won warm applause. Their proposal, if carried out, will no doubt be another step toward promoting reunification.

[Ming Liang] We earnestly hope that this will come true. You have talked about the relations, current situation, and questions between the two sides of the strait. In your view, what are the prospects of peaceful reunification in the future?

[Miao Qing] This is a very complicated question. As far as the trend of development is concerned, the will of the people is the key to the success or failure of the cause. The realization of the great historical cause of China's peaceful reunification is the common aspiration and demand of all descendants at home and abroad of the Yan and Huang emperors. This is where the force of the traditional Chinese culture and the common interests of the Chinese nation exist. The historical trend of peaceful reunification cannot be blocked by any individuals or any organizations. There is a well-known Chinese proverb: Man's will is not to be slighted. In our history, Xiang Yu triumphed when he acted in accordance with the trend and was finally defeated when he went against it. Lessons from history are profound and can be used as a guide. History is merciless, and we need not look back too far for lessons. Peaceful reunification will eventually come true. People on both sides of the Strait concerned about the great cause of peaceful reunification should strive to promote the realization of this cause. The [words indistinct] sponsored by the China Council for Promoting Peaceful Reunification has provided people of all circles at home and abroad with a facility and a forum for promoting contacts across the strait and accelerating the process of peaceful reunification. The way out for China lies in reunification. The way out for Taiwan is to return to the motherland. Once the sovereignty over Hong Kong has been recovered and Taiwan and the mainland are reunified, China's economic strength will occupy a significant position in the world. Because China's population accounts for more than one-fifth of the world's population, its peaceful reunification is of inestimable importance. The objective of TONGYI LUNTAN is to call on all Chinese people to make concerted efforts to end the divided state between the two sides of the strait and usher in a brighter future for the Chinese nation as early as possible.

[Ming Liang] Chief Editor Miao, Taiwan independence activities have become rampant recently on the island of Taiwan. What are your comments on these activities?

[Miao Qing] Indeed, as you said, Taiwan independence activities are rampant. The Democratic Progressive

Party has formed a Taiwan Independent Sovereignty Campaign Committee. Its activities include not only speeches but also such efforts as political organization. This problem is mainly attributable to [words indistinct] appeasement and connivance of the Taiwan authorities. This is my opinion. People on both sides of the Strait are now keeping a close watch on the development of the situation. The Editorial Department of TONGYI LUNTAN has received a number of readers' letters, expressing that they detest and are indignant about the sinister acts of the Taiwan independence elements in dividing the Chinese nation. In our opinion, the road to Taiwan independence is at an impasse. We can say definitely that the descendants of the Yan and Huang emperors and the history of the motherland will never forgive those sinners engaged in dividing the motherland.

[Ming Liang] Thank you for talking so much to us. Is there anything else you would like to say to our Taiwan listeners?

[Miao Qing] I wish to once again extend, through your station, my new year greetings to listeners in Taiwan. Finally, I wish that our compatriots on both sides of the strait will make concerted efforts toward the great peaceful reunification cause of the motherland and usher in, as soon as possible, a state where both our nation and people are prosperous and everything in our country is thriving.

[Ming Liang] What you said is fine—a state where both our nation and people are prosperous and everything in our country is thriving. We are awaiting the early appearance of such a state. Thank you, Chief Editor Miao.

[Miao Qing] Thank you. Good-by.

Lin Liyun Urges Establishment of 'Three Links'

*OW0301203991 Beijing XINHUA Domestic Service
in Chinese 0855 GMT 3 Jan 91*

[Text] Beijing, 3 Jan (XINHUA)—Through the special column "A Talk on Exchanges While Sending Off the

Old Year and Ushering in the New One" sponsored by six news media on the mainland, Lin Liyun, president of the All-China Federation of Taiwan Compatriots, said that she was full of ardent expectations for exchanges between the two sides across the strait, and she gave her best wishes to fellow people in Taiwan.

During an interview with a reporter of the Voice of the Strait Radio, Lin Liyun said: Exchanges between the two sides across the strait are becoming better and better. More and more Taiwan compatriots are coming to visit the mainland. Besides, their composition is becoming more and more comprehensive, including figures from political, economic, cultural, and sports circles. In cultural exchanges, the All-China Federation of Taiwan Compatriots invited some well-known Taiwan singers to give concerts on the mainland. During the Asian Games, the federation organized visiting groups and cheerleader groups of Taiwan compatriots residing on the mainland to cheer athletes of both sides across the strait.

Lin Liyun said: All Taiwan compatriots who visited the mainland experienced the long history and the brilliant and profound traditional culture of the Chinese nation and thus had national pride; however, exchanges between compatriots across the strait are still subject to artificial restrictions imposed by the Taiwan authorities. Most of the 28,000 Taiwan compatriots residing on the mainland are still unable to visit their relatives in their hometowns in Taiwan. She urged the Taiwan authorities to go with the trend of the times, put national interests above everything else, and establish two-way, direct "three links" as soon as possible. Only in this way can our compatriots on both sides of the strait increase exchanges, reach a common understanding, enhance mutual trust, and help the motherland's peaceful reunification.

On how the All-China Federation of Taiwan Compatriots will promote exchanges across the strait, Lin Liyun said that the federation will continue to play a bridge role and provide service.

Hong Kong

Political Group Set Up Under Cheng Kai-nam

HK0301023591 Hong Kong HONGKONG STANDARD
in English 3 Jan 91 p 1

[Report by Bill Ko]

[Text] A moderate political group, Hong Kong Citizens Forum, has been formed under the leadership of former Basic Law Consultative Committee member Cheng Kai-nam.

The new group will be launched, after six months of behind-the-scenes preparations, at a January 13 press conference.

The Forum chaired by Mr Cheng, who also heads the 4,600-strong pro-China Federation of Education Workers, is expected to be acceptable to China.

It will consist of professionals, community leaders and some district board members but no membership figures have been revealed.

Nor has any serving Legislative Councillor joined the new organization.

Mr Cheng plans to stand in the Island East constituency.

He is expected to face an uphill battle against a "formidable duo" from the liberal camp, Legislative Councillor Martin Lee and Man Sai-cheong from the United Democrats of Hong Kong.

It is known Mr Cheng wants the Forum to be his power base for the polls as the Association for a Better Hong Kong, which he belongs to, is just a research group.

The new political group will have members standing for March district board elections but a source in the group said they would all run as independents.

The basic beliefs of the Forum are similar to the slogans of the Hong Kong People Building Hong Kong campaign following the June 4, 1989 crackdown.

These are a moderate approach with special emphasis on dialogue among all political forces, including China, and constructive alternatives to Government policies.

In an interview with THE HONGKONG STANDARD, Mr Cheng said he planned to stand in the inaugural Legislative Council direct elections this year. His objective was to put forward a moderate alternative for voters.

"We have observed that some people in Hong Kong have lost faith in the privileged class and at the same time cannot feel comfortable with a domination of the radicals," he said.

XINHUA 'Roundup' on 1991 Economic Growth

OW0401064891 Beijing XINHUA Domestic Service
in Chinese 0705 GMT 30 Dec 90

[By XINHUA reporter Yang Jinzhou (2799 6855 3166):
"Roundup: Hong Kong's Economy May Register a Mild
Growth Next Year"]

[Text] Hong Kong, 30 Dec (XINHUA)—Hong Kong's economy may register a "mild growth" next year. This is the universal estimation of Hong Kong's economic circles. Following 1989, 1990 was the second consecutive year of low economic growth for Hong Kong. It is estimated that Hong Kong's economy next year will be "slightly better" than this year.

In 1990, inflation worsened in Hong Kong. Most people believe that Hong Kong's rate of inflation next year will remain at a high level. Hong Kong's economy has been in a state of "stagflation" this entire year. Whether Hong Kong can extricate itself from this predicament or not will depend upon its imports and exports and domestic demand. On the other hand, the demand in Hong Kong's export market will be quite uncertain next year; therefore, Hong Kong cannot be too optimistic about its traditional market.

According to an analysis by people from Hong Kong's economic circles, however, some favorable factors may alleviate or reduce the influence of unfavorable factors, including the following:

First, the people in the economic and trade circles in Hong Kong attach great importance to the further development of the "China factor" (the complementary nature of economic cooperation and trade between China and Hong Kong) and consider it as "superior with exceptional advantages." In particular, through two years of improving the economic environment and rectifying the economic order, the economy on mainland China has passed its most difficult period. Recently, there have been signs that more liberal policies will be adopted, the foreign trade balance has become favorable, the foreign exchange reserve has increased, and foreign economic relations and trade and financial relations with foreign countries have returned to normal in the main. All of those tendencies favor the export of Hong Kong's commodities to mainland China or entrepot trade. In the next several years, Mainland China may exceed the United States to become the largest market for Hong Kong's exports. Owing to the constant improvement in Mainland China's investment environment, Hong Kong's enterprises, which made investments in different regions since the second half of last year and "looked for cooperative partners everywhere," have once again recognized that Mainland China is still the most desirable production base and quickly regained their enthusiasm for investing there. This has not only effectively lessened the pressure of a labor shortage and the increase of production costs, but also greatly strengthened the competitive power of Hong Kong's products.

Second, the "regional factor" is growing. Although the economy of developing countries and areas in the Asian-Pacific region has also slowed in recent years, that region remains the fastest growing economically in the world. Taking advantage of its close relations with the region, Hong Kong can further expand its trade relations with various countries and areas of the region. At the same time, Hong Kong's policy of promoting "diversified foreign trade" has also achieved significant results.

Third, the tourist business has become prosperous and stable. The number of people visiting Hong Kong has greatly increased. People in this trade are generally convinced that because of social stability and a stable political and economic situation on the Mainland China, Hong Kong's tourist business will continue to develop steadily and, in turn, benefit other trades.

Another factor that may promote Hong Kong's economic development is Hong Kong's internal demand. The strong or weak demand for commodities by people living in Hong Kong is always related to the performance of Hong Kong's export sectors. Hong Kong's export situation has improved in recent months. If this sector's performance continues to improve next year, private investment, which has been low in the past two years, will increase and people's demand for consumer goods will also rise to a certain extent.

Jiangsu Provincial Economic, Trade Fair Opens

OW0301200191 Beijing XINHUA in English
1052 GMT 3 Jan 91

[Text] Hong Kong, January 3 (XINHUA)—An economic and trade fair from east China's Jiangsu Province opened here today.

This is the province's second fair in Hong Kong in a decade. The purpose of the event is to further expand economic and trade ties between Jiangsu Province and Hong Kong and Macao.

At a press briefing here on Wednesday, Nie Haiqing, chairman of the provincial economic and trade commission, said that during the fair 17 foreign trade corporations from the province will participate in the trade talks.

He noted rapid growth of trade between Jiangsu Province and Hong Kong and Macao in recent years, adding that to further expand such relations is part of the province's efforts to develop its export-oriented economy.

He said the value of Jiangsu Province's exports to Hong Kong rose from 98 million U.S. dollars in 1978 to 504 million U.S. dollars in 1989.

In the first 11 months of last year, its exports to Hong Kong amounted to 570 million U.S. dollars.

Its import from Hong Kong in value terms also increased from 400,000 U.S. dollars in 1978 to 144 million U.S. dollars in 1989.

But, from January to November last year, the total import from Hong Kong was only 80 million U.S. dollars, representing a 20 percent decrease over the same period of 1989.

He attributed the decline mainly to the province's reduced import of machinery, meters and instruments, and electronics including kinescopes from Hong Kong.

By the end of November last year, there are in the province a total of 682 joint ventures with Hong Kong and Macao businesses, enterprises solely funded by Hong Kong and Macao capital, and co-production enterprises with investment from Hong Kong and Macao. Their total contracted capital from Hong Kong and Macao reached 556.5 million U.S. dollars, which accounts for 66 percent of the total investments of all these three kinds of enterprises in the province.

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